



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



**Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich**
Commissioners

Sean Rogan
Executive Director

**AGENDA
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY HOUSING COMMISSION
WEDNESDAY, DECEMBER 14, 2011
12:00 NOON
CDC HEADQUARTERS
2 S. CORAL CIRCLE
MONTEREY PARK, CA 91755
(323) 890-7001**

= = = = = = = = = = = = =

1. Call to Order

2. Roll Call

**Zella Knight, Chair
Henry Porter Jr., Vice Chair
Hope Boonshaft
Alma Cibrian
Val Lerch
Laurence Levin
Alberta Parrish
Benita Pernell**

3. Reading and Approval of the Minutes of the Previous Meeting

Regular Meeting of November 16, 2011.

4. Report of the Executive Director

5. Public Comments

The public may speak on matters that are within the jurisdiction of the Housing Commission. Each person is limited to three minutes.



Regular Agenda

6. Award a Construction Contract for the Athens I, II, and III Kitchen and Bathroom Rehabilitation Project (District 2)

Recommend that the Board of Commissioners award and authorize the Executive Director or his designee to execute or amend a Contract and all related documents with Corral Construction & Development Inc., the lowest responsive and responsible bidder, in the amount of \$152,235, to complete the rehabilitation of kitchens and bathrooms and associated work for ten units located throughout unincorporated Athens, using funds included in the Housing Authority's approved Fiscal Year 2011-2012 budget; authorize the Executive Director or his designee to terminate the contractor's right to proceed with the performance of the Contract or terminate the Contract; authorize the Executive Director or his designee to approve Contract change orders not to exceed \$30,447 for unforeseen project costs, using the same source of funds and following approval as to form by County Counsel; find that the approval of the Contract and the project for kitchen and bathroom rehabilitation and associated work at various sites in Athens is exempt from the provisions of the California Environmental Quality Act (CEQA). (APPROVE)

7. Adopt Resolution for Approval of an Amended Annual Contributions Contract (All Districts)

Recommend that the Board of Commissioners find that the revised Annual Contribution Contract (ACC) is not subject to the provisions of the California Environmental Quality Act (CEQA); adopt and instruct the Chairman to sign a Resolution approving an amended ACC No. SF-450, between the Housing Authority and the U.S. Department of Housing and Urban Development (HUD), to provide ongoing funding for the Conventional Public Housing Program; authorize the Executive Director or his designee to execute the ACC and all subsequent amendments and related documents, and to take all related actions required by HUD; adopt and instruct the Chairman to sign 41 Declaration of Trusts (DOTs) for the Conventional Public Housing Program properties owned and managed by the Housing Authority, defined by HUD development numbers. (APPROVE)

8. Award a Job Order Contract and Approve Construction Task (All Districts)

Recommend that the Board of Commissioners award and authorize the Executive Director or his designee to execute or amend a Job Order Contract (JOC), work orders and all related documents with Harry H. Joh Construction Inc. (Contractor), the lowest responsive

and responsible bidder, for an amount not to exceed a cumulative total of \$4,000,000, to provide maintenance, repair, refurbishment, rehabilitation, retrofit and other repetitive-type work for Housing Authority developments on an as-needed basis, using Community Development Commission General Funds and various program funds allocated by the U.S. Department of Housing and Urban Development (HUD); adopt the October 2011 JOC Task Catalog; authorize the Executive Director or his designee to terminate the Contractor's right to proceed with the performance of the JOC or terminate the JOC; find that the award of the JOC and adoption of the Construction Task Catalog are exempt from the provisions of the California Environmental Quality Act (CEQA). (APPROVE)

9. Approval of 2012 Housing Commission Meeting Schedule

10. Housing Commissioners may provide comments or suggestions for future Agenda items.

Copies of the preceding agenda items are on file and are available for public inspection between 8:00 a.m. and 5:00 p.m., Monday through Friday, at the Housing Authority's main office located at 2 Coral Circle in the City of Monterey Park. Access to the agenda and supporting documents is also available on the Housing Authority's website.

Agendas in Braille are available upon request. American Sign Language (ASL) interpreters, or reasonable modifications to Housing Commission meeting policies and/or procedures, to assist members of the disabled community who would like to request a disability-related accommodation in addressing the Commission, are available if requested at least three business days prior to the Board meeting. Later requests will be accommodated to the extent possible. Please contact the Executive Office of the Housing Authority by phone at (323) 890-7424, or by e-mail at donna.delvalle@lacdc.org, from 8:00 a.m. to 5:00 p.m., Monday through Friday.

THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES
MINUTES FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY HOUSING COMMISSION

Wednesday, November 16, 2011

The meeting was convened at the Housing Authority located 12131 Telegraph Rd., Santa Fe Springs, California.

Digest of the meeting. The Minutes are being reported seriatim. A taped record is on file at the main office of the Housing Authority.

The meeting was called to order by Chair Zella Knight at 12:17 p.m.

<u>ROLL CALL</u>	<u>Present</u>	<u>Absent</u>
Zella Knight, Chair	X	
Henry Porter, Vice Chair	X	
Val Lerch	X	
Laurence Levin	X	
Alberta Parrish		X
Benita Pernell		X
Hope Boonshaft	X	
Alma Cibrian	X	

PARTIAL LIST OF STAFF PRESENT:

Sean Rogan, Executive Director
Emilio Salas, Deputy Executive Director
Maria Badrakhan, Director, Housing Management
Margarita Lares, Director, Assisted Housing
Harold J. Pierce, Director, Administrative Services

GUESTS PRESENT:

No guests were present.

Reading and Approval of the Minutes of the Previous Meeting

On Motion by Commissioner Porter, seconded by Commissioner Boonshaft, with Commissioner Knight and Commissioner Cibrian abstaining, the Minutes of the Regular Meeting of September 28, 2011 were approved.

Agenda Item No. 4 – Report of the Executive Director

Deputy Executive Director Emilio Salas reported the following:

Emilio Salas introduced two new Commissioners to the Housing Commission. Ms. Alma Cibrian representing the First District and Ms. Hope Boonshaft representing the Third District. Ms. Alma Cibrian has been appointed to this position effective November 8th and Ms. Hope Boonshaft has been appointed to this position effective August 2nd.

Emilio Salas stated that the concerns from the public comments from residents Bob Davis and Chauna Tauber's were addressed in a follow up correspondence addressed to the Housing Commissioners. Additionally, a response letter was sent to the constituents and to the appropriate BOS and their Deputies.

In response to the inquiry by Commissioner Porter regarding the decrease of contract contingency from 20% to 10%, Emilio Salas stated that the Housing Authority has determined the following: The policy allows the agency the ability request an increase to 20% with prior approval from the CEO's office. CMD will be requesting this increase on a case by case basis.

Emilio Salas thanked Commissioner Lerch, Commissioner Levin and Commissioner Knight for volunteering to receive their agenda and minutes via e-mail and a hard copy through USPS.

At the last meeting an inquiry was made regarding the Pet Policy. Emilio Salas informed the Commissioners of the following: If a resident does not abide by the policies, we don't immediately evict. As with all lease provisions, we notify the residents of violations and give them an opportunity to correct and comply with the lease. If they comply, no further action is warranted. If they refuse to comply, we serve them with an Unlawful Detainer Action to take possession of our unit due to the lease violation.

Emilio Salas stated that the Growing Experience held the 2nd Annual Farm Dinner at our urban farm at the Carmelitos Housing Community on Saturday, October 29th. Six chefs from local restaurants prepared various entrees using produce items that were grown at our urban farm. All proceeds raised went towards the operation of our program's services for residents, from providing nutritious produce to skills training for disadvantaged youth to community events.

Emilio Salas stated that on November 10th, the placement of the last steel beam at the construction site for our new building in Alhambra had been placed. The construction has been moving quickly and we are excited about the progress.

Emilio Salas announced that the Growing Experience received the California State Association of Counties (CSAC) Merit Award on Tuesday, November 15th. The Growing Experience offers fresh and nutritious produce to our residents and the community at an affordable cost. It also provides outdoor green recreation space for community events and job training opportunities.

Emilio Salas informed the Commissioners that a draft 2012 Housing Commission meeting calendar has been distributed for your review and comments. This item will be included on the Agenda at our next scheduled meeting for approval.

Agenda Item No. 5 - Public Comments

None at this time.

Consent Calendar

On Motion by Commissioner Levin seconded by Commissioner Levin and Lerch with Commissioner Cibrian abstaining, and unanimously carried, the following was approved by the Housing Commission :

**CONCURRENCE TO APPROVE THE SUBMISSION OF AN URBAN
GREENING GRANT APPLICATION FOR THE GROWING EXPERIENCE
AT THE CARMELITOS HOUSING DEVELOPMENT
(DISTRICT 4) AGENDA ITEM NO. 6**

1. Concur with the Board of Commissioners action and adopt and instruct the Mayor to sign a Resolution approving the Urban Greening Grant application for submission to the State of California Strategic Growth Council, and authorize the Executive Director or his designee to take any and all actions required for the implementation of the Urban Greening Grant.
2. Concur with the Board of Commissioners action and authorize the Executive Director to accept and incorporate, if awarded, up to \$75,000 in funds provided through the Urban Greening Grant into the Housing Authority's approved Fiscal Year 2011-2012 budget.
3. Concur with the Board of Commissioners action and find that the submission of a grant application is exempt from the provisions of the California Environmental Quality Act (CEQA).

Regular Agenda

On Motion by Commissioner Levin seconded by Commissioner Boonshaft with Commissioner Cibrian abstaining, and unanimously carried, the following was approved by the Housing Commission:

**AWARD A CONTRACT TO HD FACILITIES MAINTENANCE SUPPLY
TO PROVIDE BUILDING MATERIAL AND SUPPLIES TO
THE HOUSING AUTHORITY
(ALL DISTRICTS) AGENDA ITEM NO. 7**

1. Recommend that the Board of Commissioners approve and authorize the Executive Director or his designee to execute, amend, and if necessary, terminate a one-year Contract with HD Supply Facilities Maintenance, to provide building material and supplies to the Housing Authority, using up to \$740,000, plus up to \$74,000 (10%) for contingency, in Housing Authority program funds.
2. Recommend that the Board of Commissioners authorize the Executive Director or his designee to incorporate up to \$740,000, as needed, into the Housing Authority's Fiscal Year 2011-2012 approved budget.
3. Recommend that the Board of Commissioners authorize the Executive Director or his designee to extend the time of performance for up to two additional years, in one-year increments, at an annual cost of \$440,000 plus 10% contingency, using Housing Authority program funds to be approved through the Housing Authority's annual budget process.
4. Recommend that the Board of Commissioners find that the approval of the Contract is exempt from the provisions of the California Environmental Quality Act (CEQA).

On Motion by Commissioner Lerch seconded by Commissioner Boonshaft with Commissioner Cibrian abstaining, and unanimously carried, the following was approved by the Housing Commission:

**AWARD A CONSTRUCTION CONTRACT TO M.L. CONSTRUCTION
FOR ELEVATOR MODERNIZATION AT THE
FOOTHILL VILLA SENIOR HOUSING DEVELOPMENT
(DISTRICT 5) AGENDA ITEM NO. 8**

1. Recommend that the Board of Commissioners approve and authorize the Executive Director or his designee to execute, amend, and if necessary, terminate a Contract in the amount of \$603,565 to M.L. Construction, to modernize three existing elevators at the Foothill Villa senior housing development, using Capital Fund Program funds

included in the Housing Authority's approved Fiscal Year 2011-2012 budget.

2. Recommend that the Board of Commissioners authorize the Executive Director or his designee to approve Contract change orders not to exceed \$120,713 for unforeseen project costs, using the same source of funds and following approval as to form by County Counsel.
3. Recommend that the Board of Commissioners find that the award of the Contract is exempt from the provisions of the California Environmental Quality Act (CEQA).

On Motion by Commissioner Levin seconded by Commissioner Boonshaft with Commissioner Cibrian abstaining, and unanimously carried, the following was approved by the Housing Commission:

AWARD A CONSTRUCTION CONTRACT TO OMEGA CONSTRUCTION
COMPANY INC. FOR WINDOW REPLACEMENT AND
INSULATION IMPROVEMENTS AT THE QUARTZ HILL 1 AND 11
HOUSING DEVELOPMENTS
(DISTRICT 5) AGENDA ITEM NO. 9

1. Recommend that the Board of Commissioners approve and authorize the Executive Director or his designee to execute, amend and if necessary, terminate a Contract in the amount of \$108,688 to Omega Construction Company Inc., to complete the window replacement, attic insulation improvements and associated work at the Quartz Hill I and II housing developments, using Community Development Block Grant (CDBG) funds included in the Housing Authority's Fiscal Year 2011-2012 approved budget.
2. Recommend that the Board of Commissioners authorize the Executive Director to approve Contract change orders not to exceed \$10,868 for unforeseen project costs, using the same source of funds and following approval as to form by County Counsel.
3. Recommend that the Board of Commissioners find that the approval of the Contract is exempt from the provisions of the California Environmental Quality Act (CEQA).

On Motion by Commissioner Porter seconded by Commissioner Boonshaft with Commissioner Cibrian abstaining, and unanimously carried, the following was approved by the Housing Commission:

ADOPT RESOLUTION AUTHORIZING ISSUANCE OF TAX-EXEMPT MULTI-FAMILY HOUSING MORTGAGE REVENUE BONDS FOR MULTI-FAMILY HOUSING IN UNINCORPORATED FLORENCE-FIRESTONE (DISTRICT 1)
AGENDA ITEM NO. 10

1. Recommend that the Board of Commissioners adopt and instruct the Mayor to sign a Resolution, as required under Section 147(f) of the Internal Revenue Code of 1986, authorizing the issuance of the tax-exempt Bonds by the Housing Authority, in an aggregate amount not exceeding \$6,850,000, to assist Slauson Station Apartments, L.P. (Developer), in financing the acquisition, construction and development of Slauson Station Apartments, a 30-unit multifamily rental housing development located at 1707-1717 East 61st Street in unincorporated Florence-Firestone.
2. Recommend that the Board of Commissioners authorize the Executive Director or his designee to negotiate, execute, and if necessary amend or terminate all related documents and take all necessary actions for the issuance, sale, and delivery of the Bonds.
3. Recommend that the Board of Commissioners find that adoption of a resolution authorizing the issuance, sale, and delivery of the Bonds is not subject to the California Environmental Quality Act (CEQA).

On Motion by Commissioner Lerch seconded by Commissioner Boonshaft with Commissioner Cibrian abstaining, and unanimously carried, the following was approved by the Housing Commission:

ADOPT RESOLUTION AUTHORIZING ISSUANCE OF TAX-EXEMPT MULTI-FAMILY HOUSING MORTGAGE REVENUE BONDS FOR MULTI-FAMILY HOUSING IN THE CITY OF WEST HOLLYWOOD
(DISTRICT 3) AGENDA ITEM NO. 11

1. Recommend that the Board of Commissioners adopt and instruct the Mayor to sign a Resolution, as required under Section 147(f) of the Internal Revenue Code of 1986, authorizing the issuance of tax-exempt Multifamily Housing Mortgage Revenue Bonds (Bonds) by the Housing Authority, in an aggregate amount not exceeding \$7,800,000, to assist West Hollywood Community Housing Corporation L.P. (Developer), in financing the acquisition, construction and development of Courtyard at La Brea, a 32-unit multifamily rental housing development to be located at 1145-1151 North La Brea Avenue in the City of West Hollywood.

2. Recommend that the Board of Commissioners authorize the Executive Director or his designee to negotiate, execute, and if necessary amend or terminate all related documents and take all necessary actions for the issuance, sale, and delivery of the Bonds.
3. Recommend that the Board of Commissioners find that adoption of a resolution authorizing the issuance, sale, and delivery of the Bonds is not subject to the California Environmental Quality Act (CEQA).

On Motion by Commissioner Levin seconded by Commissioner Porter with Commissioner Cibrian abstaining, and unanimously carried, the following was approved by the Housing Commission:

ADOPT RESOLUTION AUTHORIZING ISSUANCE OF TAX-EXEMPT
MULTI-FAMILY HOUSING MORTGAGE REVENUE BONDS
FOR MULTI-FAMILY HOUSING IN THE CITY OF SAN FERNANDO
(DISTRICT 3) AGENDA ITEM NO. 12

1. Recommend that the Board of Commissioners adopt and instruct the Mayor to sign a Resolution, as required under Section 147(f) of the Internal Revenue Code of 1986, authorizing the issuance of tax-exempt Multifamily Housing Mortgage Revenue Bonds (Bonds) by the Housing Authority, in an aggregate amount not exceeding \$4,400,000, to assist Mid Celis Apartments, L.P. (Developer), in financing the acquisition, construction and development of the Mid Celis Apartments a 20-unit multi-family rental housing development to be located at 1422 San Fernando Road in the City of San Fernando.
2. Recommend that the Board of Commissioners authorize the Executive Director or his designee to negotiate, execute, and if necessary amend or terminate all related documents and take all necessary actions for the issuance, sale, and delivery of the Bonds.
3. Recommend that the Board of Commissioners find that adoption of a resolution authorizing the issuance, sale, and delivery of the Bonds is not subject to the California Environmental Quality Act (CEQA).

On Motion by Commissioner Levin seconded by Commissioner Porter with Commissioner Cibrian abstaining, and unanimously carried, the following was approved by the Housing Commission:

ADOPT RESOLUTION AUTHORIZING ISSUANCE OF TAX-EXEMPT MULTI-
FAMILY HOUSING MORTGAGE REVENUE BONDS FOR

MULTI-FAMILY HOUSING IN THE CITY OF SAN FERNANDO
(DISTRICT 3) AGENDA ITEM NO.13

1. Recommend that the Board of Commissioners adopt and instruct the Mayor to sign a Resolution, as required under Section 147(f) of the Internal Revenue Code of 1986, authorizing the issuance of tax-exempt Multi-family Housing Mortgage Revenue Bonds (Bonds) by the Housing Authority, in an aggregate amount not exceeding \$9,000,000, to assist San Fernando Community Housing L.P. (Developer), in financing the acquisition, construction and development of San Fernando Community Housing, a 62-unit multi-family rental housing development to be located at 131 and 134 Park Avenue and 130, 134 and 140 Jesse Street in the City of San Fernando.
2. Recommend that the Board of Commissioners authorize the Executive Director or his designee to negotiate, execute, and if necessary amend or terminate all related documents and take all necessary actions for the issuance, sale, and delivery of the Bonds.
3. Recommend that the Board of Commissioners find that adoption of a resolution authorizing the issuance, sale, and delivery of the Bonds is not subject to the California Environmental Quality Act (CEQA).

Agenda Item No. 10 – Housing Commissioner Comments and Recommendations for Future Agenda Items

Commissioner Boonshaft stated that she had no comments at this time.

Commissioner Levin wished a Happy Thanksgiving to all.

Commissioner Lerch thanked staff for a good year and wished everyone happy holidays.

Commissioner Porter wished everyone a safe holiday and asked everyone to help their community. Commissioner Porter asked if staff would be inspecting the rain gutters at the housing sites.

Maria Badrakhan stated that all roofs were currently being assessed.

Commission Porter asked if there were any kind of exemptions to the rules that could be made with reference to Chauna Tauber's concerns.

Maria Badrakhan stated that Ms. Tauber's concerns are currently being looked into.

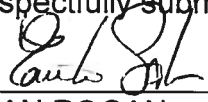
Commissioner Cibrian requested that project costs and the funding sources be provided as a reference for future projects. This information will provide a better sense of the dollar amount that will be spent on the project.

Emilio Salas responded, yes, we will have staff provide this information on future projects.

Commissioner Knight thanked staff for their hospitality and asked for everyone to be mindful of others during the holiday season.

On Motion by Commissioner Levin the Regular Meeting of November 16, 2011, was adjourned at 1:14 pm.

Respectfully submitted,



for SEAN ROGAN
Executive Director
Secretary –Treasurer

Housing Authority - County of Los Angeles

FOR YOUR INFORMATION ONLY

December 14, 2011

TO: Housing Commissioners

FROM: Margarita Lares, Director, Assisted Housing Division

RE: **FSS PROGRAM UPDATE – NOVEMBER 2011**

The Family Self-Sufficiency (FSS) Program is a HUD initiative intended to assist Public Housing residents and Housing Choice Voucher Program participants achieve economic independence and self-sufficiency.

Activities		
RECRUITMENT	8	Applications Received
	3	Applications Sent
ENROLLMENTS	6	New FSS Participants
TERMINATIONS	3	Participant Terminated from FSS for failure to complete Contract Goals
MEETINGS & SPECIAL PROJECT	1	Began collecting toys for the annual FSS toy drive
WORKSHOPS Program Presentations	2	Program presentations for Resident Advisory Board at Santa Fe Springs office and West Hollywood satellite office
	2	Disseminated Credit Repair Informational Packets
	4	Disseminated Budget Informational Packets
REFERRALS	13	Job referral from the employment network job board
	2	WorkSource Center employment workshops and job fairs
	2	Home Ownership Program
	25	Children referred to Christmas Toy Project
GRADUATIONS	3	Pending requests for graduation

If you have any questions, please feel free to contact me at (562) 347-4837.

ML:AS:dt

FAMILY SELF-SUFFICIENCY (FSS) REPORT SUPPLEMENT

Listed below are descriptions of frequently used language in the monthly FSS Report.

1. **SASSFA**-Acronym for Southeast Area Social Services Funding Authority. They oversee all the funding for Worksource Centers, who provide job training, job placement, and skill assessment. We have a partnership with them, which in turn benefits our clients by providing services that we would not be able to provide on our own. There are about 75 Worksource Centers located in Southern California.
2. **The Employment Network Job Board** is located in the Family Self-Sufficiency department of the Assisted Housing Division located at 12131 Telegraph Road, Santa Fe Springs, CA and is a compilation of job leads, job requests and training information supplied by our various partnered agencies and is updated on a bi-weekly basis. The network board may also include referrals to other types of services, such as job fairs, resume preparation or social services. All these resources are shared with FSS participants.
3. **Emergency Transportation Assistance** refers to bus tokens issued by FSS staff to FSS participants who are having short term transportation problems. This would include those who have started a new job and need transportation assistance until they receive a pay check; those who need assistance in order to get to a job interview; those who are starting school and may not have been able to make arrangements to carpool prior to enrollment; those who have had a temporary transportation emergency, such as a automobile accident or auto break down. Part of this assistance may also include referrals to other agencies which may have bus tokens or passes available.

Housing Authority - County of Los Angeles

FOR YOUR INFORMATION ONLY

December 14, 2011

TO: HOUSING COMMISSIONERS

FROM: EMILIO SALAS, Deputy Executive Director



SUBJECT: STATUS OF THE COMMUNITY DEVELOPMENT BLOCK GRANT-RECOVERY (CDBG-R) PROGRAM, FUNDED BY THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (ARRA)

The Community Development Block Grant (CDBG) Division is closely monitoring CDBG-R sub-recipients to ensure that they spend all of their allocated funds by June 30, 2012.

We are currently pacing at an appropriate level: as of November 8, 2011, \$6,658,014.81 (82.5%) of the total \$8,070,800.65 under contract has been expended. To ensure that subrecipients meet all of the aforementioned grant requirements, we continue to closely monitor their performance. Following are major actions taken since the last report:

- To date, 49 (75%) of the 65 projects are completed. Some of these were completed below budget, and the excess undisbursed funds were recaptured and reallocated to other existing well-performing CDBG-R activities.
- In order to fully expend the grant funds, as projects are completed and closed out, we will continue to reallocate remaining undisbursed funds to other ongoing CDBG or CDBG-R projects that can use the additional funding, and that are in full compliance with the grant requirements.
- CDBG staff is closely monitoring low-performing agencies and providing them with requisite technical assistance to ensure that they adhere to their required corrective actions which include: (a) submittal of any delinquent reimbursement requests; and (b) adherence to the project implementation and expenditure target dates stated in their action plans.

TG:AC:ec

H://TG/ARRA/ARRA Status Report For CDBG-R (As of December 2011)


Housing Authority - County of Los Angeles

FOR YOUR INFORMATION ONLY

December 14, 2011

TO: HOUSING COMMISSIONERS

FROM: EMILIO SALAS, Deputy Executive Director



SUBJECT: STATUS OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (ARRA) HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM (HPRP)

The Homelessness Prevention and Rapid Re-Housing Program (HPRP) is a collaborative effort among the Community Development Commission-Community Development Block Grant Division (CDC-CDBG), the County's Chief Executive Office, implementing County Departments, local Non-Profit Organizations, and the Los Angeles Homeless Services Authority (LAHSA).

Actions since the last report include the following:

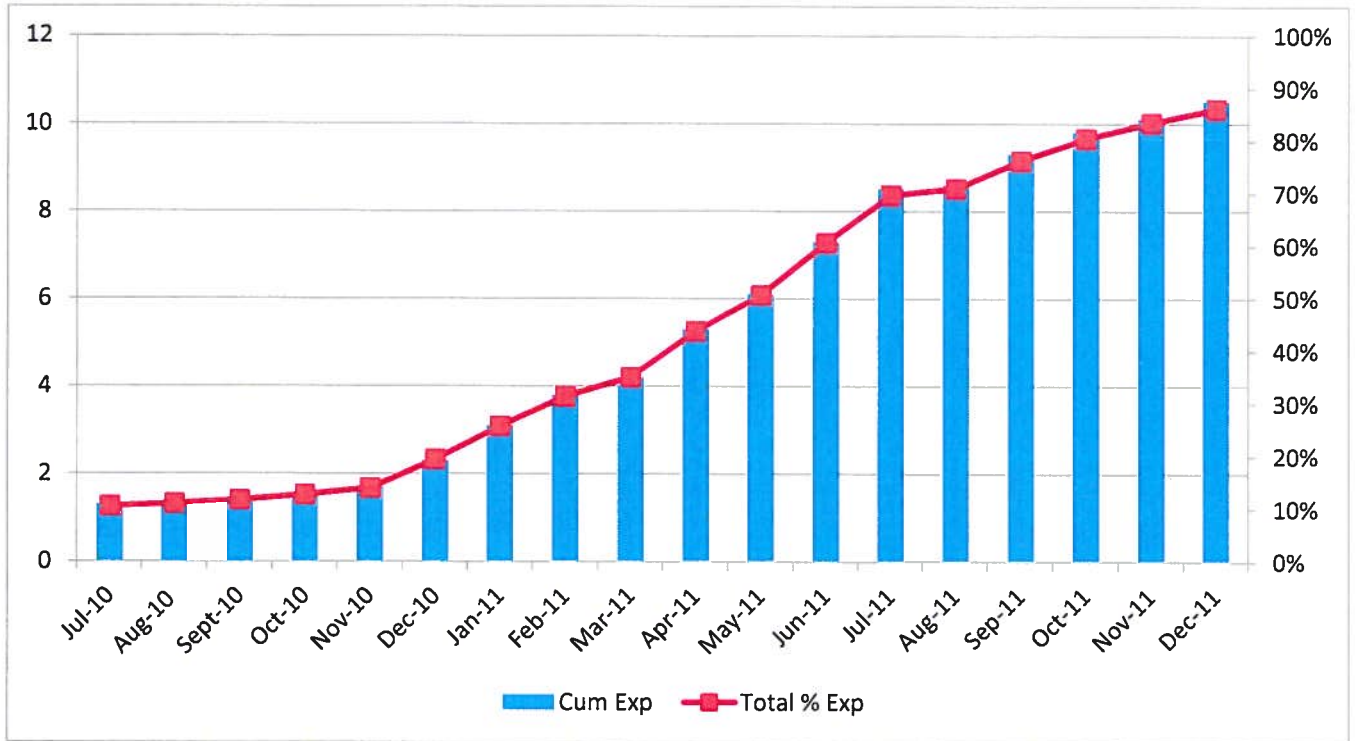
- As of December 1, 2011, \$10,505,161.72 (86.13%) of the \$12,197,108 budget has been expended (see attached chart).
- The Year 2 Annual Performance Report (APR) was submitted to the U.S. Department of Housing and Urban Development (HUD) by the November 30, 2011 deadline.
- As of November 30, 2011, 1862 households have been served.
- The monthly partner meeting will be held on December 13, 2011.

TG:AC:ec

H:TG/ARRA/ARRA Status Report For HPRP (As of December 2011)

Attachment

HPRP CUMULATIVE EXPENDITURES, IN MILLIONS



Month	Cum Exp	Total % Exp
Jul-10	\$ 1,258,444.73	10.49%
Aug-10	\$ 1,302,795.89	10.99%
Sept-10	\$ 1,424,267.03	11.68%
Oct-10	\$ 1,548,014.88	12.69%
Nov-10	\$ 1,703,129.97	13.96%
Dec-10	\$ 2,363,254.90	19.38%
Jan-11	\$ 3,137,110.79	25.72%
Feb-11	\$ 3,825,665.90	31.37%
Mar-11	\$ 4,274,043.56	35.04%
Apr-11	\$ 5,340,295.92	43.78%
May-11	\$ 6,179,581.90	50.66%
Jun-11	\$ 7,395,617.17	60.63%
Jul-11	\$ 8,503,153.25	69.71%
Aug-11	\$ 8,655,580.90	70.96%
Sep-11	\$ 9,300,711.68	76.25%
Oct-11	\$ 9,814,782.24	80.47%
Nov-11	\$ 10,182,220.24	83.48%
Dec-11	\$ 10,505,161.72	86.13%

From: Elisa Vasquez
Sent: Wednesday, November 23, 2011 8:29 AM
To: Directors/Managers
Cc: Blair Babcock; Daniel Rofoli; Debra Solis; Geoffrey Siebens; Georganne Colvin; Gloria Ramirez; Grace Thamawatanakul; Jacqueline Rodarte; Jose Pilpa; Lynna Ochoa; Marcie Chavez; Meiwen Fang; Nicholas Teske; Pat Case; Ray Gomez; Raymond Webster; Robin Pointer; Samantha Harrison; Susan Lawi-Ayad
Subject: RE: Legislative Update

Hello,

As follow-up to Monday's Legislative Update, below please find the latest on the Super Committee, which failed to reach a deal by their established deadline.

Super Committee Fails to Reach a Deal

The joint congressional committee tasked with identifying \$1.2 trillion in deficit reduction released a written statement last Monday that a bipartisan agreement had not been reached by the deadline. In order for the Congressional Budget Office to score a legislative proposal, it needed to be brought forth no later than Monday night.

After nearly three months reviewing mostly partisan proposals, the panel's failure to find a compromise on taxes and entitlement programs leaves a range of federal programs, including defense, now subject to automatic spending cuts starting in January 2013. Democrats held the position that any deal would require some increase in revenues, while Republican proposals mostly relied on spending cuts and entitlement reform.

Unless Congress intervenes and alters the automatic sequestration, the across-the-board cuts will occur over 10 years. This equals roughly \$54.7 billion per year in cuts to defense and \$54.7 billion per year in cuts to domestic spending. Programs not subject to the sequestration include:

- war financing
- military pay, if the president opts to exempt
- Social Security
- Medicaid
- Children's Health Insurance Plan (CHIP)
- the food stamp program
- child nutrition
- Supplemental Security Income
- tax credits such as the Earned Income Tax Credit
- veterans benefits
- Pell Grants
- federal employees' retirement

Congress has a year to take action amending the sequestration. Republicans have already spoken out in support of protecting defense spending from receiving its full share of the automatic cuts. However, President Obama said that he will veto any attempt by Capitol Hill to roll back the \$1.2 trillion. He said he would consider a deal that tweaks the sequestration formula as long as the \$1.2 trillion target is met with a balanced approach.

Unemployment benefits, the annual fix for the alternative tax minimum (AMT) and the payroll tax cut, are among the provisions set to expire at the end of December 2011. In addition, a legislative fix that has prevented scheduled cuts in Medicare payments to doctors will also expire at year's end. With no Super Committee deal, which would have been a likely legislative vehicle for a number of these expiring programs and tax breaks, a busy holiday season is expected on Capitol Hill.

Elisa E. Vásquez, Manager
Intergovernmental Relations/Public Information
Community Development Commission/
Housing Authority of the County of Los Angeles
2 Coral Circle
Monterey Park, CA 91755
phone: 323.890.7415
fax: 323.890.8580

Disclaimer:

PLEASE NOTE: This e-mail, and any attachments, contains information that is, or may be, covered by electronic communications privacy laws, and is also confidential, private, privileged and proprietary in nature and is solely transmitted for the purposes of the intended recipient(s). If the reader of this message is not an intended recipient, or if this message has been inadvertently directed to your attention, you are hereby notified that you have received this message and any attached document(s) in error and that any review, dissemination, distribution, or copying of this message is strictly prohibited. If you have received this message in error, please notify us immediately by return e-mail and delete and destroy all copies of the original message. You are hereby notified that CDC/HACoLA does not intend to waive any privilege or privacy rights that might ordinarily attach to this communication. Thank you for your cooperation.

From: Elisa Vasquez
Sent: Monday, November 21, 2011 9:30 AM
To: Directors/Managers
Cc: Blair Babcock; Daniel Rofoli; Debra Solis; Elisa Vasquez; Geoffrey Siebens; Georganne Colvin; Gloria Ramirez; Grace Thamawatanakul; Jacqueline Rodarte; Jose Pilpa; Lynna Ochoa; Marcie Chavez; Meiwen Fang; Nicholas Teske; Pat Case; 'Ray Gomez'; Raymond Webster; Robin Pointer; Samantha Harrison; Susan Lawi-Ayad
Subject: Legislative Update

Hello,

Below please find an update on State and Federal legislative activity of interest to the CDC.

State Redevelopment Hearing

On Thursday, November 10, the California Supreme Court heard oral arguments in the case that will decide the fate of California's Redevelopment Agencies (RDAs). The California

Redevelopment Association (CRA), along with the League of California Cities, and the cities of San Jose and Union City filed a lawsuit in the California Supreme Court (CRA et. al. v. Matosantos et. al) challenging the constitutionality of AB 1x 26 and AB 1x 27, the bill package passed as part of the State Budget to eliminate RDAs unless they agree to pay the State \$1.7 billion in this fiscal year and \$400 million to schools and special districts in subsequent budget years.

The Court has stated it will issue its decision prior to the January 15, 2012, deadline for agencies to make their initial payment under AB 1x 27.

Attached is a detailed summary of the hearing. IGR will report the Court's decision once announced.

Joint Selection Committee on Deficit Reduction (Supercommittee)

Media sources are reporting that this morning, the Supercommittee will announce it failed to come to an agreement on its mandate of reducing the Nations debt over the next 10 years. The panel technically has until Wednesday to introduce their deficit-reduction package, which must be at least \$1.2 trillion over a decade to avoid across-the-board cuts. But after a weekend in which Supercommittee negotiations appeared to grind to a halt, and panel members publicly suggested the other side would be to blame for failure, there is little optimism in Washington that the committee will be able to meet its goal.

Federal Fiscal Year (FFY) 2012 Budget

Congress passed the first set of FFY 2012 spending bills on November 17, 2011 – Agriculture, Commerce-Justice-Science, and Transportation-Housing and Urban Development – and President Obama signed them into last Friday. The bills, totaling approximately \$128 billion in discretionary spending, were packed into a conference agreement (H.R. 2112, reported on in the last biweekly update) and are the first of the 12 appropriations bills to move forward into law. Attached to the minibus (H.R. 2112) was another short-term continuing resolution that will maintain funding for programs by H.R. 2112 through December 16, 2011.

Attached is an updated chart reflecting the final figures for our programs as found in the omnibus.

Elisa

Elisa E. Vásquez, Manager
Intergovernmental Relations/Public Information
Community Development Commission/
Housing Authority of the County of Los Angeles
2 Coral Circle
Monterey Park, CA 91755
phone: 323.890.7415
fax: 323.890.8580

Disclaimer:

Community Development Commission

FOR YOUR INFORMATION ONLY

November 30, 2011

TO: Each Supervisor

FROM: Sean Rogan, Executive Director



SUBJECT: **UPDATE ON THE PURSUIT AND IMPLEMENTATION OF FUNDING MADE AVAILABLE IN H.R. 1, THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009**

On March 31, 2009, the Board of Supervisors (Board) requested that the Community Development Commission/Housing Authority of the County of Los Angeles (CDC/HACoLA) report on the efforts to apply for, or take the necessary steps to accept, each category of funding contained within ARRA that the CDC/HACoLA is eligible to receive, either by formula or by competitive grant application. In all, the CDC/HACoLA was awarded \$33,603,148 of the \$114,312,431 applied for.

Funding Awarded

PUBLIC HOUSING CAPITAL FUND (CF)

Funding Amount: \$7,401,512 (by formula)

Award of Funds: On March 31, 2009, the Board of Commissioners approved a motion to accept the grant funds, and funding became available to the HACoLA on May 14, 2009.

Use of Funds: The funds are being used for security improvements, energy efficiency work measures, preventive maintenance, and general improvements at 12 public housing developments comprised of 2,500 public housing units. As a direct result of CF formula activities, the HACoLA has reported a total of 73 full-time equivalent jobs (that were created or retained) through the 4th Quarter of Program Year (PY) 2010-2011 to FederalReporting.gov.

Expenditure Levels: As first reported on August 31, 2011, all funds have been expended.

Provisions: The HACoLA must obligate 100% of the funds within 1 year, expend 60% of the funds in 2 years, and complete 100% of the fund expenditures in 3 years. The HACoLA has met the mandatory obligation deadline and has expended 100% of the grant.

Funding Amount: \$5,924,000 (Applied for \$22,399,000 by competition.)

Award of Funds: On June 22, 2009, the HACoLA applied for \$16,475,000 in funding for improvements addressing the needs of the elderly and/or people with disabilities and public housing transformation. Additionally, on July 21, 2009, the HACoLA applied for \$5,924,000 in funding for energy efficient/green community projects.

Use of Funds: The HACoLA was only awarded funding in the 'Creation of an Energy Efficient Green Community' category in the amount of \$5,924,000. Funds were granted on September 29, 2009, and are being used at the Nueva Maravilla housing development to reduce energy costs, generate resident and HACoLA energy savings, and reduce greenhouse gas emissions attributable to energy consumption. A total of 28 full-time

equivalent jobs were created or retained through the 1st Quarter PY 2011-2012 and have been reported to FederalReporting.gov.

Expenditure Levels: On December 1, 2009, the Board approved the acceptance of the funds. As of November 22, 2011, the HACoLA had expended \$4,045,986 of the \$5,924,000 obligated.

Provisions: The HACoLA must obligate 100% of the funds within 1 year of the date in which funds become available for contracts. The U.S. Department of Housing and Urban Development (HUD) requires the HACoLA to use at least 60% of the funds within 2 years and 100% of the funds within 3 years. The HACoLA has met the mandatory obligation deadline.

COMMUNITY DEVELOPMENT BLOCK GRANT-RECOVERY (CDBG-R)

Funding Amount: \$8,080,528 (by formula)

Award of Funds: The CDC submitted an amendment to the CDBG PY 2008 Action Plan (as required by ARRA) on June 5, 2009, after receiving approval from the Board on June 2, 2009. The CDC received the CDBG-R Grant Agreements on August 26, 2009.

Use of Funds: The CDC worked with the agencies affected by CDBG/ARRA regulations and submitted a final list of projects for approval to HUD on August 13, 2009, and the Board on August 18, 2009. Both HUD and the Board approved the list for the CDC's CDBG-R Program. Project activities include public improvements, housing rehabilitation, economic development, public services, and administration. During the 1st Quarter of Fiscal Year 2011-2012, the following activities were accomplished: completed rehabilitation of 19 housing units, provided economic development grants to 2 businesses serving an area with 43,594 residents, and implemented 1 public service activity providing job training directly to 3 people. In all, a total of 1,360 jobs have been created or retained, which corresponds to 130.26 full-time equivalent positions to date.

The CDC has recaptured and reallocated funds for lack of expenditure or progress on projects. Funds were reprogrammed into existing CDBG-R activities that were in need of additional funding.

Expenditure Levels: As of November 22, 2011, the CDC had expended \$6,629,937.

Provisions: The CDC must use all CDBG-R funds by September 30, 2012.

HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM (HPRP)

Funding Amount: \$12,197,108 (by formula)

Award of Funds: The CDC submitted a completed application to HUD on May 18, 2009, which was subsequently approved the following June. Trainings on reporting, program monitoring, and general implementation were held for the applicable County Departments on August 19, 2009, and the CDC received the HPRP Grant Agreements on August 20, 2009.

Use of Funds: Implementation of HPRP began on October 1, 2009; and the Departments of Public Social Services, Consumer Affairs, Community and Senior Services, and the Los Angeles Homeless Services Authority (LAHSA) have been working collaboratively to deliver assistance to those in need. In addition, Neighborhood Legal Services began offering legal

assistance and representation to persons and families with unlawful detainers on November 1, 2009.

On August 31, 2010, the Board of Commissioners gave approval for 3 non-profit organizations (People Assisting the Homeless, Volunteers of America, and Union Station Homeless Services) to receive funding to provide HPRP services, and added 19 previously unserved cities that did not receive Federal or State HPRP funds within the County. We continue to actively monitor the progress of these activities to ensure compliance with the requirements. Contract amendments to allow for time extensions to December 31, 2011, were processed to allow for the full expenditure of grant funds.

The HPRP workgroup meets monthly to communicate concerns, provide updates, and to problem solve in order to maintain progress with the program. All service providers are no longer taking new clients given the current number of participants being subsidized and cases managed. The program will be closing down in the next few months. A Tenant Resources Pamphlet was developed by the Department of Consumer Affairs to assist persons and families still facing housing challenges as the program ends. We have also updated the Los Angeles County Housing Resource Center website to reflect the County HPRP's closure.

The number of clients assisted is leveling off. From program start through September 30, 2011, 1,858 households have been assisted; these numbers are based on the data entered into the Homeless Management Information System (HMIS) on the number of people served. Further, from program start, a total of 1,199 jobs have been created or retained, which corresponds to 211.29 full-time equivalent positions as of the 1st Quarter of PY 2011-2012.

Expenditure Levels: As of November 22, 2011, the CDC had expended \$10,505,162, or 86.13%, of the total funding. We met the 60% expenditure requirement 2 months in advance of the August 18, 2011 deadline. We expect to finish providing services under this program by March 31, 2012.

Provisions: HUD requires that 60% of the funds be used by August 18, 2011 and 100% by August 1, 2012.

Unsuccessful Grant Applications

GREEN RETROFIT PROGRAM FOR MULTIFAMILY HOUSING

Funding Amount: Applied for \$2,260,000 by competition.

Award of Funds: The HACoLA submitted applications for the Kings Road and Lancaster Homes Housing Developments on June 15, 2009. The HACoLA did not receive this grant.

Use of Funds: Had the HACoLA been awarded, the funds would have been used for the modernization and rehabilitation of the Kings Road and Lancaster Homes developments.

Each Supervisor
November 30, 2011
Page 4

**JUVENILE JUSTICE AND CRIME PREVENTION ACT PROGRAM (JJCPA)/EDWARD BYRNE MEMORIAL
COMPETITIVE GRANT PROGRAM**

Funding Amount: Applied for \$974,283 by competition.

Award of Funds: The CDC submitted an application on April 27, 2009. The CDC did not receive this grant.

Use of Funds: Had the CDC been awarded, the funds would have been used to support existing JJCPA programs.

NEIGHBORHOOD STABILIZATION PROGRAM 2 (NSP2)

Funding Amount: Applied for \$61,000,000 by competition.

Use of Funds: Had the CDC been awarded, the funds would have been used to supplement the NSP1 program, which includes the HERO program and Rental Infill Sites activities for tenants below 50% of the area median income (AMI).

If you have any questions, please contact me at (323) 890-7400, or Terry Gonzalez, Director, CDBG Division, at (323) 890-7150.

SR\TG\SH\nm
K:\CDBG COMMON\IGR-PIARRA Board Memo\2011\November '11 ARRA Memo.doc

Attachment

- c: Each Deputy
Brence Culp, Chief Deputy Chief Executive Officer, Chief Executive Office
Ellen Sandt, Deputy Chief Executive Officer, Chief Executive Office
Kathy House, Assistant Chief Executive Officer, Chief Executive Office
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Lisa Rizzo, Principal Analyst, Chief Executive Office
Scott Wiles, Special Assistant, Chief Executive Office
Libby Boyce, Homeless Services Coordinator, Chief Executive Office

The CDC/HACoLA
American Recovery and Reinvestment Act of 2009 (ARRA) Final Award Amounts

	ARRA GRANT OPPORTUNITY	FUNDING AGENCY	FORMULA AMOUNT/ \$ APPLIED FOR	AMOUNT AWARDED	GRANT AGREEMENT*
1	Capital Fund (formula)	HUD	\$7,401,512	\$7,401,512	Yes
2	Capital Fund (competitive) - Disabilities Category	HUD	\$9,235,000	Did Not Receive	No
3	Capital Fund (competitive) - PH Transformation	HUD	\$7,240,000	Did Not Receive	No
4	Capital Fund (competitive) - Green Technology	HUD	\$5,924,000	\$5,924,000	Yes
5	Community Development Block Grant - Recovery	HUD	\$8,080,528	\$8,080,528	Yes
6	Neighborhood Stabilization Program 2	HUD	\$61,000,000	Did Not Receive	No
7	Homeless Prevention and Rapid Re-Housing Program	HUD	\$12,197,108	\$12,197,108	Yes
8	Green Retrofit Program for Multifamily Housing	HUD	\$2,260,000	Did Not Receive	No
9	Edward Byrne Memorial Competitive Grant	DOJ	\$974,283	Did Not Receive	No
Total Awarded Under ARRA			\$33,603,148		

*Grant Agreement Received – Funds available for drawdown at U.S. Treasury.



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



**Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich**
Commissioners

Sean Rogan
Executive Director

December 14, 2011

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 S Coral Circle
Monterey Park, California, 91755

Dear Commissioners:

**AWARD A CONSTRUCTION CONTRACT FOR THE ATHENS I, II, AND III KITCHEN
AND BATHROOM REHABILITATION PROJECT
(DISTRICT 2)**

SUBJECT

This letter recommends award of a Construction Contract (Contract) Corral Construction & Development Inc., to complete the kitchen and bathroom rehabilitation for ten units located at 1120 W. 107th Street, 1310 W. 110th Street, and 11104 South Normandie Avenue in unincorporated Athens.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners award and authorize the Executive Director or his designee to execute or amend a Contract and all related documents with Corral Construction & Development Inc., the lowest responsive and responsible bidder, in the amount of \$152,235, to complete the rehabilitation of kitchens and bathrooms and associated work for ten units located throughout unincorporated Athens, using funds included in the Housing Authority's approved Fiscal Year 2011-2012 budget.
2. Recommend that the Board of Commissioners authorize the Executive Director or his designee to terminate the contractor's right to proceed with the performance of the Contract or terminate the Contract.



3. Recommend that the Board of Commissioners authorize the Executive Director or his designee to approve Contract change orders not to exceed \$30,447 for unforeseen project costs, using the same source of funds and following approval as to form by County Counsel.
4. Recommend that the Board of Commissioners find that the approval of the Contract and the project for kitchen and bathroom rehabilitation and associated work at various sites in Athens is exempt from the provisions of the California Environmental Quality Act (CEQA).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to award a Contract for the kitchen and bathroom rehabilitation and associated work at ten units located at 1120 W. 107th Street, 1310 W. 110th Street, and 11104 South Normandie Avenue.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The Housing Authority will fund the improvements with \$152,235 in Community Development Block Grant funds allocated by the U.S. Department of Housing and Urban Development (HUD) and included in the Housing Authority's approved Fiscal Year 2011-2012 budget.

A 20% contingency, in the amount of \$30,447 is being set aside for unforeseen costs using the same source of funds. This contingency is recommended because kitchen and bathroom rehabilitation often involves unforeseen conditions or damage that extends further than initially identified in the scope of work.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Athens I, II, and III projects consist of three housing developments in unincorporated Athens, with a total of 10 units. The scope of work for the proposed Contract includes subfloor repair; Vinyl Composite Tile (VCT) flooring and rubber base cove replacement; solid surface countertops, range hood and plumbing fixture replacement; new bathroom vanity, medicine cabinet, bathroom sink, toilet and plumbing fixture replacement; new light fixtures, replacement of switches and receptacles; and all accessories and associated work.

The improvements are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, Corral Construction & Development Inc. will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be

directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

ENVIRONMENTAL DOCUMENTATION

Pursuant to 24 Code of Federal Regulation, Part 58, Section 58.35 (a) (3)(ii), this project is excluded from the National Environmental Policy Act because it involves activities that will not alter existing environmental conditions. It is categorically exempt from the provisions of CEQA. The project, rehabilitation of kitchens and bathrooms including subfloor repair; VCT flooring and rubber base cove replacement; solid surface countertops, range hood and plumbing fixture replacement; new bathroom vanity, medicine cabinet, bathroom sink, toilet, and plumbing fixture replacement; new light fixtures, replacement of switches and receptacles; and associated work, is within a class of projects that have been determined not to have a significant effect on the environment in that it meets the criteria set forth in Section 15301 of the CEQA Guidelines and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. In addition, the project is not in a sensitive environment, and there are no cumulative impacts, unusual circumstances, or other limiting factors that would make the exemption inapplicable based on the project records.

CONTRACTING PROCESS

On September 20, 2011, the Housing Authority initiated an outreach to identify a contractor to complete the work at the subject property. Invitations for Bids were mailed to 156 contractors identified from the Housing Authority's vendor list. Advertisements also appeared in one local newspaper, and on the CDC and County Web Sites. Eighty bid packages were requested.

On October 26, 2011, 14 bids were received and formally opened. The lowest bidder, ENL Service Co, withdrew its bid. The second lowest bid, submitted by Aramco Construction Inc, was found to be non-responsive for failure to provide information and documents required under the bid. The third lowest bidder, Corral Construction & Development Inc., was determined to be the lowest responsive and responsible and is being recommended for the Contract award.

The Summary of Outreach Activities is provided as Attachment A.

Honorable Housing Commissioners
December 14, 2011
Page 4

IMPACT ON CURRENT PROJECT

The award of the Contract will complete the kitchen and bathroom rehabilitation improvements for the Athens I, II and III public housing units and allow the Housing Authority to continue providing residents with decent, safe and sanitary living conditions.

Respectfully submitted,



 SEAN ROGAN
Executive Director

Enclosures

ATTACHMENT A

Summary of Outreach Activities

On September 20, 2011, the following outreach was initiated to identify a contractor to complete the kitchen and bathroom rehabilitation and associated work at the ten units located throughout the Athens area at 1120 W. 107th Street, 1310 W. 110th Street, and 11104 Normandie Avenue in unincorporated South Los Angeles County.

A. Newspaper Advertising

Announcements appeared in the following local newspaper:

Los Angeles Times

An announcement was also posted on the CDC and County Web Sites.

B. Distribution of Bid Packages

The Housing Authority's vendor list was used to mail out Invitations for Bids to 156 contractors, of which 89 identified themselves as businesses owned by minorities or women (private firms which are 60 percent owned by minorities or women, or publicly-owned businesses in which 56 percent of the stock is owned by minorities or women). As a result of the outreach, eighty packages were requested.

C. Pre-Bid Conference and Site Walk

On October 5, 2011, a mandatory pre-bid conference and site walk was conducted. Thirty Six firms were in attendance.

D. Bid Results

On October 26, 2011, a total of fourteen bids were received and publicly opened.

The bid result was as follows:

<u>Company</u>	<u>Bid Amount</u>
ENL Service Co.	\$ 87,700
Aramco Construction, Inc.	\$138,450
Corral Construction & Development Inc.	\$152,235
EPIC Constructing Group Inc.	\$174,185
Omega Construction Co. Inc.	\$174,800
DHI Construction	\$179,000
Magic Hammer Development Inc.	\$187,187

Dan Contractor	\$190,700
Cal-City Construction Inc.	\$210,000
CJ Pro	\$214,700
Earthtek Builders	\$225,000
Coral Contractors Inc.	\$234,000
AZ Home Inc.	\$243,698
Harry H. Joh Construction Inc.	\$363,437

E. Minority/Female Participation – Selected Contractor

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Corral Construction & Development Inc.	Minority	Total: 8 8 Minorities 1 Women 100% Minorities 13% Women

F. Minority/Women Participation - Firms Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
ENL Service Company	Minority	Total: 13 12 Minorities 1 Woman 92% Minorities 8% Women
Aramco Construction Inc.	Non-Minority	Total: 4 4 Minorities 0 Women 100% Minorities 0 % Women
EPIC Contracting Group Inc.	Non-Minority	Total: 3 2 Minorities 0 Women 67% Minorities 0% Women
Omega Construction Co. Inc.	Non-Minority	Total: 6 2 Minorities 1 Woman 33% Minorities 17% Women

DHI Construction Inc.	Non-Minority	Total: 1 0 Minorities 0 Women 0% Minorities 0% Women
Magic Hammer Development Inc. Inc.	Non-Minority	Total: 5 2 Minorities 1 Woman 40% Minorities 20% Women
Dan Contractor	Non-Minority	Total: 4 4 Minorities 0 Women 100% Minorities 0% Women
Cal-City Construction, Inc.	Minority	Total: 20 19 Minorities 2 Women 95% Minorities 10% Women
CJ Pro, Inc.	Minority	Total: 4 4 Minorities 1 Woman 100% Minorities 25% Women
Earthtek Builders	Minority	Total: Did not Provide
Coral Construction Inc.	Non-Minority	Total: 4 2 Minorities 0 Women 50% Minorities 0% Women
AZ Home Inc.	Non-Minority	Total: 15 9 Minorities 2 Women 60% Minorities 13% Women

Harry H. Joh Construction
Inc.

Minority

Total: 6
6 Minorities
2 Women
100% Minorities
33% Women

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of the contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

ATTACHMENT B

Contract Summary

Project Name: Athens I, II, III Kitchen and Bathroom Rehabilitation Project
Location: 1120 W. 107th Street, 1310 W. 110th Street, and 11104 South Normandie Avenue, Los Angeles, CA 90044
Bid Number: CDC 11-288
Bid Date: October 26, 2011
Contractor: Corral Construction & Development Inc.
Services: The scope of work subfloor repair; VCT flooring and rubber base cove replacement; solid surface countertop, range hood, sink and plumbing fixture replacement; new bathroom vanity, medicine cabinet, sink, toilet, and plumbing fixture replacement; new light fixtures, replacement of switches and receptacles; and associated work.

Contract Documents: Part A – Instructions to Bidders and General Conditions; Part B – Specifications; Part C – Bidder's Documents, Representations, Certifications, Bid, and Other Statements of Bidder; all addenda to the Contract Documents.

Notice to Proceed and Completion: The work to be performed under this Construction Contract shall be commenced within ten (10) days after a Notice to Proceed is received by the Contractor, or on the date specified in the Notice, whichever is later, and shall be completed within one hundred and twenty (120) calendar days following the required commencement date.

Liquidated Damages: In the event of breach of contract, the Contractor and his/her sureties shall be liable for, and shall pay to the Housing Authority the sum of **Five Hundred Dollars and Zero Cents (\$500.00)** as liquidated damages for each calendar day of delay, until the Work is accepted by the Owner.

Contract Sum: The Housing Authority shall pay the Contractor for the performance of the Construction Contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **One Hundred and Fifty Two Thousand Two Hundred Thirty Five Dollars and Zero Cents (\$152,235)**. The Contract Sum is not subject to escalation, includes all labor and material increases anticipated throughout the duration of this Construction Contract.

Contract Contingency: **\$30,447**

Athens I,II,III Kitchen Bathroom Rehabilitation Project

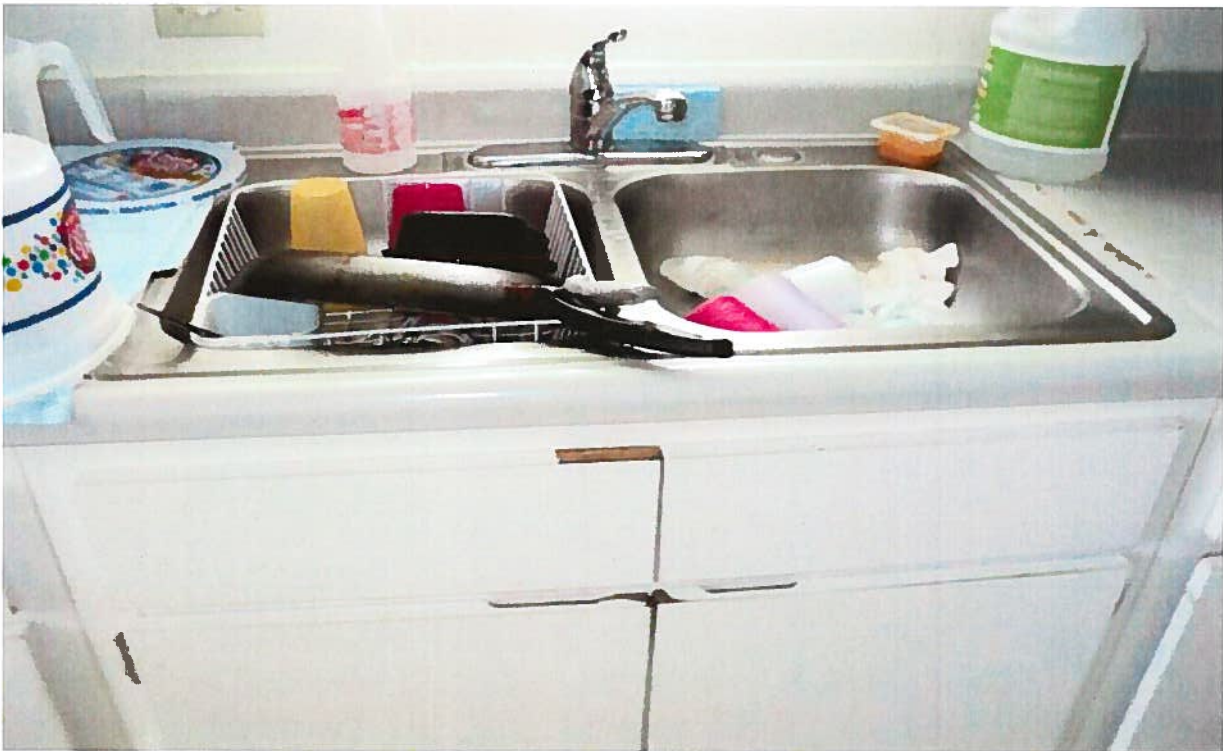


Building Exterior View of 1310 W. 110th Street, Los Angeles, CA 90044.

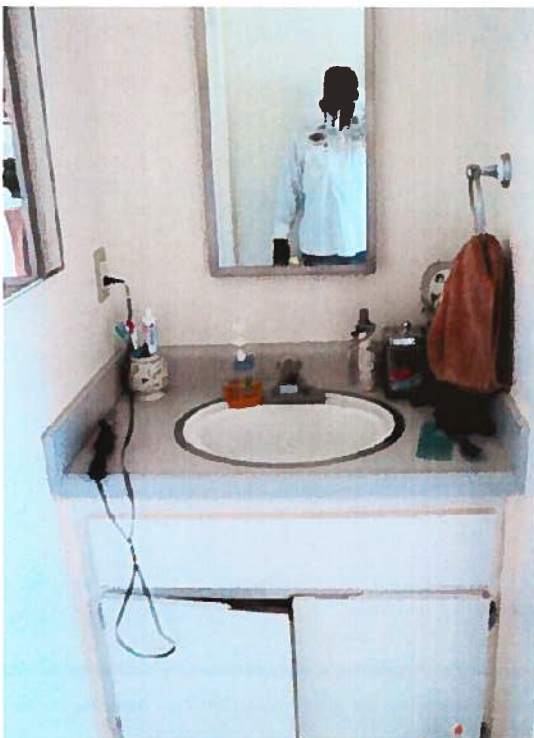


Typical View of the Kitchen- Kitchen Cabinets and Countertops to be Replaced.

Athens I,II,III Kitchen Bathroom Rehabilitation Project



Close Up View of the Kitchen Cabinets and Countertops.



Typical View of the Bathrooms- Work to include Vanity Cabinet and Countertop Replacement, Floor Repair as Necessary, and Tile Cleaning and Fixture Replacement As Necessary.

Athens I,II,III Kitchen Bathroom Rehabilitation Project



Building Exterior View of 1310 W. 110th Street, Los Angeles, CA 90044.



Typical View of the Kitchen- Kitchen Cabinets and Counter Tops to be Replaced.

Athens I,II,III Kitchen Bathroom Rehabilitation Project



Typical View of the Bathrooms- Work to include Vanity Cabinet and Countertop Replacement, Tile Cleaning, and Fixture Replacement As Necessary, Exhaust Fan Cleaning, and Patch and Paint of the Bathroom.

Athens I,II,III Kitchen Bathroom Rehabilitation Project



Building Exterior View of 11104 Normandie Avenue, Los Angeles, CA 90044.



Typical View of the Kitchen- Kitchen Cabinets and Counter Tops to be Replaced.

Athens I,II,III Kitchen Bathroom Rehabilitation Project



Typical View of the Bathrooms- Work to include Vanity Cabinet and Countertop Replacement, Tile Cleaning, and Fixture Replacement As Necessary, Exhaust Fan Cleaning, and Patch and Paint of the Bathroom.



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Sean Rogan
Executive Director

December 14, 2011

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 S Coral Circle
Monterey Park, California, 91755

Dear Commissioners:

**ADOPT RESOLUTION FOR APPROVAL OF AN AMENDED ANNUAL
CONTRIBUTIONS CONTRACT
(ALL DISTRICTS)**

SUBJECT

This letter recommends adoption of a resolution to approve an amended Annual Contribution Contract (ACC) between the Housing Authority and the U.S. Department of Housing and Urban Development (HUD). The ACC will include 41 Declaration of Trusts (DOTs) and a complete listing of all Conventional Public Housing Program properties, defined by HUD development numbers. The listing includes a total of 2,962 housing units owned and managed by the Housing Authority.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Recommend that the Board of Commissioners find that the revised Annual Contribution Contract (ACC) is not subject to the provisions of the California Environmental Quality Act (CEQA).
2. Recommend that the Board of Commissioners adopt and instruct the Chairman to sign a Resolution approving an amended ACC No. SF-450, between the Housing Authority and the U.S. Department of Housing and Urban Development (HUD), to provide ongoing funding for the Conventional Public Housing Program.
3. Recommend that the Board of Commissioners authorize the Executive Director or his designee to execute the ACC and all subsequent amendments and related documents, and to take all related actions required by HUD.
4. Recommend that the Board of Commissioners adopt and instruct the Chairman to sign 41 Declaration of Trusts (DOTs) for the Conventional Public Housing



4. Recommend that the Board of Commissioners adopt and instruct the Chairman to sign 41 Declaration of Trusts (DOTs) for the Conventional Public Housing Program properties owned and managed by the Housing Authority, defined by HUD development numbers.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The ACC sets forth program regulations that govern the development, modernization, and operation of the Conventional Public Housing Program and is the mechanism utilized to allocate operating and Capital Fund Program (CFP) funds. On March 19, 2002, the Board of Commissioners approved an amended ACC as requested by HUD in order to update the 1995 document on file. The Housing Authority is now requesting to amend the ACC in order to include 41 DOTs and a complete listing of the Conventional Public Housing Program properties defined by HUD development numbers. The listing includes a total of 2,962 housing units owned and managed by the Housing Authority.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. No additional funds are being provided at this time. Operating and CFP funds for the Conventional Public Housing Program are approved by HUD on a calendar year basis and will be submitted for approval to the Board of Commissioners through our annual budget process.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The attached Resolution and ACC have been approved as to form by County Counsel.

HUD requires Housing Authorities to ensure a current DOT is recorded against Conventional Public Housing Program properties defined by HUD development numbers that has been acquired, developed, maintained, or assisted with funds from the U.S. Housing Act of 1937. Housing Authorities must maintain current DOTs to ensure the accuracy of HUD subsidy calculations, Operating funds and CFP allocations.

ENVIRONMENTAL DOCUMENTATION

These activities are exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(1), because they involve planning activities that will not have a physical impact on or result in any physical changes to the environment. The activities are also not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

Honorable Housing Commissioners
December 14, 2011
Page 3

IMPACT ON CURRENT PROGRAM

Adoption of the Resolution to approve the amended ACC is required by HUD to allocate operating and CFP funds to the Housing Authority's Conventional Public Housing Program.

Respectfully submitted,



SEAN ROGAN
Executive Director

Enclosures



**U.S. Department of Housing
and Urban Development**

Terms and Conditions

**Constituting Part A of a
Consolidated Annual Contributions Contract
Between Housing Authority and
the United States of America**

**Forms HUD-53010 and
HUD-53011 are obsolete**

**Form HUD-53012A
(7/95)**

TABLE OF CONTENTS

-- Part A --

Section		Page
Section 1	Consolidation of Annual Contributions Contract.	1
Section 2	Definitions.	1
Section 3	Mission of HUD.	2
Section 4	Mission of the HA.	2
Section 5	Covenant to Develop and Operate.	3
Section 6	Cooperation Agreement(s).	3
Section 7	Covenant Against Disposition and Encumbrances.	3
Section 8	Declaration of Trust.	3
Section 9	Depository Agreement and General Fund.	4
Section 10	Pooling of Funds.	4
Section 11	Operating Budget.	5
Section 12	Civil Rights Requirements.	5
Section 13	Insurance Requirements.	6
Section 14	Employer Requirements.	7
Section 15	Books of Account, Records, and Government Access.	7
Section 16	Termination of a Project Under Management.	7

Section		Page
Section 17	Notices, Defaults, Remedies.	7
Section 18	Rights and Obligations of HUD While in Possession of Project(s).	9
Section 19	Conflict of Interest.	9
Section 20	Interest of a Member or Delegate to Congress.	11
Section 21	Rights of Third Parties.	11
Section 22	Performance of Conditions Precedent to the Validity of this ACC.	11
Section 23	Waiver or Amendment.	11

This Annual Contributions Contract ("ACC"), No. SF-450, is entered into as of this ____ day of 2012, by and between the United States of America, acting by and through the Secretary of Housing and Urban Development, ("HUD") and Housing Authority of the County of Los Angeles (the "HA"). The parties to this ACC may have previously entered into Consolidated ACCs whose terms and conditions have become obsolete through the subsequent passage of legislation or the promulgation of regulations by HUD. The parties wish to resolve this obsolescence by entering into this ACC, which shall supersede the most recent Consolidated ACC entered into between the HA and HUD bearing the same ACC number as this Consolidated ACC, and which incorporates by reference into this ACC those regulations issued by HUD for the development, modernization, and operation of public and Indian housing projects contained in Title 24 of the Code of Federal Regulations, as said Title shall be amended from time to time. Nothing herein shall release the HA from compliance with all applicable laws, executive orders, and regulations that are not specifically incorporated herein by reference.

This ACC covers all project(s) listed under the most recent Consolidated ACC entered into between HUD and the HA bearing the same ACC number as this ACC, and any amendments thereto, as well as any additional project(s) that may be added as a result of future amendments to this ACC. This ACC shall remain in effect with respect to such projects for the maximum period required by law, or as may be established by HUD. If this ACC consolidates previous ACCs executed by the parties, it shall remain in effect for the maximum period remaining under such previously executed ACCs, including any extension of the original ACC term based upon the HA's receipt of modernization and operating subsidies.

Section 1 - Consolidation of Annual Contributions Contract.

This ACC supersedes the most recent Consolidated ACC entered into between HUD and the HA bearing the same ACC number as this ACC (including both Parts I and II), and any amendments thereto, provided that this novation shall in no way affect obligations outstanding, accounts due, or other actions taken pursuant to such previous ACCs, all of which matters shall be administered pursuant to and under this ACC.

Section 2 - Definitions.

ACC - Consolidated Annual Contributions Contract between HUD and the HA, as may be amended herein, consisting of Part A (which sets forth requirements applicable to all projects) and Part B (which sets forth additional requirements that apply only to certain types of projects).

Act - the United States Housing Act of 1937, as amended.

Cooperation Agreement - agreement(s) prescribed by HUD for execution by the HA and the local governing body relative to the cooperation of the local governing body in the development and operation of the project(s) and the obligation of the HA for payments in lieu of taxes, due to the exemption of the project from all real and personal property taxes.

HA - a public housing agency as defined in the Act, including an Indian housing authority.

HUD approval - prior written approval from HUD.

"Operating receipts" and "Operating expenditures" - Operating receipts shall mean all rents, revenues, income, and receipts accruing from, out of, or in connection with the ownership or operation of such project. Operating receipts shall not include any funds received for development or modernization of a project, annual contributions pledged for payment of bonds or notes, or proceeds from the disposition of real property. Operating expenditures shall mean all costs incurred by the HA for administration, maintenance and other costs and charges that are necessary for the operation of the project. Operating expenditures shall not include any costs incurred as part of the development or modernization cost, or payment of principal or interest of bonds or notes.

Project - public and Indian housing developed, acquired, or assisted by HUD under the Act, other than under section 8 of the Act, and the improvement of such housing. The term shall include all real and personal property, tangible and intangible, which is acquired or held by a HA in connection with a project covered under this ACC.

Section 3 - Mission of HUD.

HUD shall administer the Federal public and Indian housing program for the provision of decent, safe, and sanitary housing to eligible families in accordance with this ACC and all applicable statutes, executive orders, and regulations. HUD shall provide maximum responsibility and flexibility to HAs in making administrative decisions within all applicable statutes, executive orders, regulations and this ACC. HUD shall provide annual contributions to the HA in accordance with all applicable statutes, executive orders, regulations, and this ACC.

Section 4 - Mission of the HA.

The HA shall at all times develop and operate each project solely for the purpose of providing decent, safe, and sanitary housing for eligible families in a manner that promotes serviceability, economy, efficiency, and stability of the projects, and the economic and social well-being of the tenants.

Section 5 - Covenant to Develop and Operate.

The HA shall develop and operate all projects covered by this ACC in compliance with all the provisions of this ACC and all applicable statutes, executive orders, and regulations issued by HUD, as they shall be amended from time to time, including but not limited to those regulations promulgated by HUD at Title 24 of the Code of Federal Regulations, which are hereby incorporated into this ACC by reference as if fully set forth herein, and as such regulations shall be amended from time to time. The HA shall also ensure compliance with such requirements by any contractor or subcontractor engaged in the development or operation of a project covered under this ACC.

Section 6 - Cooperation Agreement(s).

During the development and operation of the project(s), the HA shall perform and comply with all applicable provisions of the Cooperation Agreement(s), in the form prescribed by HUD, including the making of payments in lieu of taxes provided therein (or such lesser amount as may be prescribed by State law or agreed to by the local governing body), shall at all times preserve and enforce its rights thereunder, and shall not terminate or amend the Cooperation Agreement(s) without the written approval of HUD.

Section 7 - Covenant Against Disposition and Encumbrances.

The HA shall not demolish or dispose of any project, or portion thereof, other than in accordance with the terms of this ACC and applicable HUD requirements. With the exception of entering into dwelling leases with eligible families for dwelling units in the projects covered by this ACC, and normal uses associated with the operation of the project(s), the HA shall not in any way encumber any such project, or portion thereof, without the prior approval of HUD. In addition, the HA shall not pledge as collateral for a loan the assets of any project covered under this ACC.

Section 8 - Declaration of Trust.

Promptly upon the acquisition of the site of any project, the HA shall execute and deliver an instrument (which may be in the form of a declaration of trust, a trust indenture, or such other document as may be approved by HUD), confirming and further evidencing, among other things, the covenant of the HA not to convey or encumber the project except as expressly authorized in this ACC. Such instrument and all amendments shall be duly recorded or filed for record wherever necessary to give public notice of their contents and to protect the rights and interests of HUD and of any bondholders. The HA shall furnish HUD with appropriate evidence of such recording or filing. From time to time, as additional real property is acquired by the HA in connection with the projects, the HA shall promptly amend such instrument to incorporate all such real property and shall record the instrument, as amended.

Section 9 - Depository Agreement and General Fund.

(A) The HA shall deposit and invest all funds and investment securities received by or held for the account of the HA in connection with the development, operation and improvement of the projects under an ACC with HUD in accordance with the terms of the General Depository Agreement(s). The General Depository Agreement shall be in the form prescribed by HUD and must be executed by the HA and the depository. Immediately upon the execution of any Depository Agreement, the HA shall furnish to HUD such executed or conformed copies thereof as HUD may require. A Depository Agreement shall not be terminated except after 30 days notice to HUD.

(B) All monies and investment securities received by or held for the account of the HA in connection with the development, operation and improvement of projects in accordance with an ACC with HUD shall constitute the "General Fund."

(C) The HA shall maintain records that identify the source and application of funds in such a manner as to allow HUD to determine that all funds are and have been expended in accordance with each specific program regulation and requirement. The HA may withdraw funds from the General Fund only for: (1) the payment of the costs of development and operation of the projects under ACC with HUD; (2) the purchase of investment securities as approved by HUD; and (3) such other purposes as may be specifically approved by HUD. Program funds are not fungible; withdrawals shall not be made for a specific program in excess of the funds available on deposit for that program.

Section 10 - Pooling of Funds.

(A) The HA may deposit into an account covered by the terms of the General Depository Agreement any funds received or held by the HA in connection with any project operated by the HA under the provisions of this ACC.

(B) The HA may also deposit into an account covered by the General Depository Agreement, by lump-sum transfers of funds from the depositories of other projects or enterprises of the HA in which HUD has no financial interest, amounts necessary for current expenditures of items chargeable to all projects and enterprises of the HA.

(C) The HA shall not withdraw from any of the funds or accounts authorized under this section amounts for the projects under ACC, or for the other projects or enterprises, in excess of the amount then on deposit in respect thereto.

Section 11 - Operating Budget.

(A) The HA shall prepare and have approved by its Board of Commissioners an operating budget for each of its fiscal years in a manner, and using such forms, as prescribed by HUD. The HA shall submit a calculation of operating subsidy eligibility in the manner prescribed by HUD in regulations in Title 24 of the Code of Federal Regulations. HUD shall review the calculation and, if correct, and subject to the availability of funds, take action within 45 days of submission to obligate the funds and approve a payment schedule, unless the HA is notified that it must submit an operating budget as provided in (B) below. HUD may revise or amend the subsidy calculation to bring it into conformity with regulatory requirements. The HA shall submit revised calculations in support of mandatory or other adjustments based on procedures and deadlines prescribed by HUD.

(B) If HUD directs the HA to submit an operating budget because it has failed to achieve certain specified operating standards, or for other reasons which in HUD's determination require it, HUD shall, within 45 days of receipt of the complete operating budget, review and approve the operating budget if the plan of operation and the amounts included therein are reasonable. If HUD disapproves any proposed operating budget, or approves such budget with modifications, the HA shall be notified in writing and be furnished with an explanation of the reasons for such disapproval or modified approval. Any HA that is required to submit an operating budget may, at any time prior to thirty days before the end of the HA fiscal year, submit to HUD a proposed revision of any approved operating budget.

(C) HUD shall not in any Federal fiscal year approve any estimate or revision of a HA's operating budget in an amount which, together with the amount of all operating subsidies then contracted for by HUD, would exceed the amount as determined by HUD of contracting authorization for operating subsidies under the Act. HUD shall not be obligated to make any payments on account of operating subsidies in an amount in excess of the amount specifically approved by HUD.

(D) The HA shall not incur any operating expenditures except pursuant to an approved operating budget. If unbudgeted expenditures are incurred in emergencies to eliminate serious hazards to life, health and safety, the operating budget shall be amended accordingly.

Section 12 - Civil Rights Requirements.

(A) The HA shall comply with all statutory, regulatory, and executive order requirements pertaining to civil rights, equal opportunity, and nondiscrimination, as those requirements now exist, or as they may be enacted, promulgated, or amended from time to time. These requirements include, but shall not be limited to, compliance with at least the following authorities: Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d; 24 CFR part 1); the Fair Housing Act (42 U.S.C. 3601-3619; 24 CFR part 100); section 504 of the Rehabilitation Act of

1973 (29 U.S.C. 794; 24 CFR part 8); (the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107; 24 CFR part 146); the Americans with Disabilities Act (Pub. L. 101-336, approved July 26, 1990; 28 CFR part 35); Executive Order 11063 on Equal Opportunity in Housing (24 CFR part 107); Executive Order 11246 on Equal Employment Opportunity, as amended by Executive Order 11375 (41 CFR part 60); and Executive Order 12892 on Affirmatively Furthering Fair Housing. An Indian Housing Authority established pursuant to tribal law shall comply with applicable civil rights requirements, as set forth in Title 24 of the Code of Federal Regulations.

(B) In connection with the development or operation of any project, the HA shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, disability, age, or national origin. The HA shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, sex, disability, age, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The HA shall insert the foregoing provision (modified only to show the particular contractual relationship) in all its contracts in connection with the development or operation of any project, except contracts for standard commercial supplies or raw materials and contracts referred to in subsection (C) of this section, and shall require all contractors to insert a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials. The HA shall post at the projects, in conspicuous places available to employees and applicants for employment, notices to be provided by HUD setting forth the provisions of this nondiscriminatory clause.

(C) The HA shall incorporate the language required by Executive Order 11246, codified at 41 CFR §60-1.4(b) (or any successor provision), into any contract for construction work, or any modification thereof, which is paid for in whole or in part with funds obtained under this ACC. In addition, the HA agrees that it will be bound by the equal employment opportunity provisions set forth at 41 CFR §60-1.4(b) (or any successor provision) with respect to its own employment practices when it uses its own staff (force account) to carry out Federally assisted construction work.

Section 13 - Insurance Requirements.

(A) Except as otherwise provided by HUD, the HA shall procure adequate insurance to protect the HA from financial loss resulting from various hazards if the HA determines that exposure to certain hazards exists. The types of insurance required, or that should be purchased, and other requirements with respect to insurance coverage are listed in Part B, Attachment VII, of this ACC.

(B) The HA shall, to the extent that insurance proceeds permit, promptly restore, reconstruct, and/or repair any damaged or destroyed property of a project, except with the written approval

of HUD to the contrary.

Section 14 - Employer Requirements.

(A) The HA shall comply with all tribal, State and Federal laws applicable to employee benefit plans and other conditions of employment.

(B) No funds of any project may be used to pay any compensation for the services of members of the HA Board of Commissioners.

Section 15 - Books of Account, Records, and Government Access.

(A) The HA must maintain complete and accurate books of account for the projects of the HA in such a manner as to permit the preparation of statements and reports in accordance with HUD requirements, and to permit timely and effective audit.

(B) The HA must furnish HUD such financial and project reports, records, statements, and documents at such times, in such form, and accompanied by such reporting data as required by HUD.

(C) The United States Government, including HUD and the Comptroller General, and its duly authorized representatives, shall have full and free access to all HA offices and facilities, and to all books, documents, and records of the HA relevant to the administration of the projects under this ACC, including the right to audit and make copies.

Section 16 - Termination of a Project Under Management.

If any project under management under this ACC is terminated, all project reserves shall become part of another project administered by the HA in accordance with the terms of this ACC. If no other project(s) under management exists, the remaining project reserves shall be distributed as directed by HUD.

Section 17 - Notices, Defaults, Remedies.

(A) Any notice required or permitted to be given under this ACC shall be in writing, signed by a duly authorized official, and addressed, if to the HA, to the principal office of the HA, and if to HUD, to the HUD office with jurisdiction over the HA, unless otherwise directed by regulation or other requirement of HUD.

(B) Upon the occurrence of a substantial default by the HA, as determined by HUD in accordance with this ACC, HUD shall be entitled to any or all of the remedies set forth in paragraphs (E), (F), and (H) below. A substantial default is a serious and material violation of

any one or more of the covenants contained in this ACC. Events of substantial default shall include, but shall not be limited to, any of the following occurrences: (1) failure to maintain and operate the project(s) under this ACC in a decent, safe, and sanitary manner; (2) the disposition or encumbrance of any project or portion thereof without HUD approval; (3) failure of the HA to comply with any civil rights requirements applicable to the HA and the project(s); (4) abandonment of any project by the HA, or if the powers of the HA to operate the project(s) in accordance with the provisions of this ACC are curtailed or limited to an extent that will prevent the accomplishment of the objectives of this ACC; (5) failure to carry out modernization or development in a timely, efficient and effective manner; and (6) termination of tax exemption (either real or personal property) on behalf of a project covered under this ACC.

(C) Delivery of a notice of substantial default shall be required before the exercise of any remedy permitted under this ACC. Such notice shall: (1) identify the specific covenants, statutes, executive orders, or regulations alleged to have been violated; (2) identify the specific events, actions, failure to act, or conditions that constitute the alleged substantial default; and (3) provide a specific timeframe for the HA to cure the substantial default, taking into consideration the nature of the default.

(D) Except in cases involving clear and apparent fraud, serious criminal behavior, or emergency conditions that pose an imminent threat to life, health, or safety, the HA shall have the right to appeal any such notice received from the HUD office with jurisdiction over the HA. Such informal appeals shall be in writing and shall be submitted within ten (10) working days from the date of the HA's receipt of such notice. Appeals of the action of a HUD Office shall be made to the Assistant Secretary for Public and Indian Housing, or such other official as shall be a successor thereto.

(E) Upon the occurrence of a substantial default, or the expiration of any applicable cure period provided by HUD, the HA shall: (1) convey to HUD title to the project(s) as demanded by HUD if, in the determination of HUD (which determination shall be final and conclusive), such conveyance of title is necessary to achieve the purposes of the Act; or (2) deliver possession and control of the project(s) to HUD.

(F) Nothing contained in this ACC shall prohibit or limit HUD from the exercise of any other right or remedy existing under applicable law, or available at equity. HUD's exercise or non-exercise of any right or remedy under this ACC shall not be construed as a waiver of HUD's right to exercise that or any other right or remedy at any time.

(G) If HUD shall acquire title to, or possession of the project(s), HUD shall reconvey or redeliver possession of the project(s) to the HA, or to any successor recognized by HUD:

(1) upon a determination by HUD that the substantial default has been cured and that the project(s) will thereafter be operated in accordance with the terms of this ACC; or (2) after the termination of HUD's obligation to make annual contributions available, unless there

are any obligations or covenants of the HA to HUD that are then in default.

(H) HUD may at any time by notice to the HA declare this ACC terminated with respect to any project that at such time has not been permanently financed if: (1) the HA has made any fraudulent or willful misrepresentation of any material fact in any document or data submitted to HUD as a basis for this ACC or as an inducement to HUD to enter into this ACC; or (2) a substantial default exists in connection with any of the projects; provided, that no such termination shall affect any obligation of HUD to make annual contributions pursuant to section 12 of Attachment VI, Part B, of this ACC.

Section 18 - Rights and Obligations of HUD While in Possession of Project(s).

(A) During any period in which HUD holds title to or possession of the projects after a substantial default by the HA, HUD shall develop and/or operate such project(s) as nearly as practicable in accordance with the provisions of this ACC.

(B) During any such period, HUD may, in the name and on behalf of the HA, or in its own name and on its own behalf (as HUD shall solely determine), exercise any and all rights of the HA under this ACC, and perform any and all obligations of the HA under this ACC. Nothing herein shall be deemed to make the action(s) or omission(s) of the HA attributable to HUD.

Section 19 - Conflict of Interest.

(A)(1) In addition to any other applicable conflict of interest requirements, neither the HA nor any of its contractors or their subcontractors may enter into any contract, subcontract, or arrangement in connection with a project under this ACC in which any of the following classes of people has an interest, direct or indirect, during his or her tenure or for one year thereafter:

(i) Any present or former member or officer of the governing body of the HA, or any member of the officer's immediate family. There shall be excepted from this prohibition any present or former tenant commissioner who does not serve on the governing body of a resident corporation, and who otherwise does not occupy a policymaking position with the resident corporation, the HA or a business entity.

(ii) Any employee of the HA who formulates policy or who influences decisions with respect to the project(s), or any member of the employee's immediate family, or the employee's partner.

(iii) Any public official, member of the local governing body, or State or local legislator, or any member of such individuals' immediate family, who exercises functions or responsibilities with respect to the project(s) or the HA.

(2) Any member of these classes of persons must disclose the member's interest or prospective interest to the HA and HUD.

(3) The requirements of this subsection (A)(1) may be waived by HUD for good cause, if permitted under State and local law. No person for whom a waiver is requested may exercise responsibilities or functions with respect to the contract to which the waiver pertains.

(4) The provisions of this subsection (A) shall not apply to the General Depository Agreement entered into with an institution regulated by a Federal agency, or to utility service for which the rates are fixed or controlled by a State or local agency.

(5) Nothing in this section shall prohibit a tenant of the HA from serving on the governing body of the HA.

(B)(1) The HA may not hire an employee in connection with a project under this ACC if the prospective employee is an immediate family member of any person belonging to one of the following classes:

(i) Any present or former member or officer of the governing body of the HA. There shall be excepted from this prohibition any former tenant commissioner who does not serve on the governing body of a resident corporation, and who otherwise does not occupy a policymaking position with the HA.

(ii) Any employee of the HA who formulates policy or who influences decisions with respect to the project(s).

(iii) Any public official, member of the local governing body, or State or local legislator, who exercises functions or responsibilities with respect to the project(s) or the HA.

(2) The prohibition referred to in subsection (B)(1) shall remain in effect throughout the class member's tenure and for one year thereafter.

(3) The class member shall disclose to the HA and HUD the member's familial relationship to the prospective employee.

(4) The requirements of this subsection (B) may be waived by the HA Board of Commissioners for good cause, provided that such waiver is permitted by State and local law.

(C) The requirements of subsections (A) and (B) of this section do not apply to contracts entered into by an Indian Housing Authority, its contractors or subcontractors, although such contracts

remain subject to other applicable conflict of interest requirements.

(D) For purposes of this section, the term "immediate family member" means the spouse, mother, father, brother, sister, or child of a covered class member (whether related as a full blood relative, or as a "half" or "step" relative, e.g., a half-brother or stepchild).

Section 20 - Interest of a Member or Delegate to Congress.

No member of or delegate to the Congress of the United States of America or resident commissioner shall be admitted to any share or part of this ACC or to any benefits which may arise from it. (As used in this section, the term "resident commissioner" refers to an individual appointed to oversee a territory or possession of the United States of America, e.g., Guam.)

Section 21 - Rights of Third Parties.

Except as to bondholders, as stated in Part B (Attachment VI) of this ACC, nothing in this ACC shall be construed as creating any right of any third party to enforce any provision of the ACC or to assert any claim against HUD or the HA.

Section 22 - Performance of Conditions Precedent to the Validity of this ACC.

The HA certifies that all conditions precedent to the valid execution and delivery of this ACC on its part have been complied with, that all things necessary to constitute this ACC its valid, binding, and legal agreement on the terms and conditions and for the purposes herein set forth have been done and have occurred and that the execution and delivery of the ACC on its part have been and are in all respects duly authorized in accordance with law. HUD similarly certifies with reference to its execution and delivery of this ACC.

Section 23 - Waiver or Amendment.

Any right or remedy that HUD may have under this ACC may be waived in writing by HUD without the execution of a new or supplemental agreement; or by mutual agreement of the parties to this ACC, this contract may be amended in writing: Provided, That none of the provisions of this ACC may be modified or amended so as to impair in any way HUD's obligation to pay any annual contributions that have been pledged as security for any obligations of the HA.

In witness whereof, the HA and HUD have caused this ACC to be executed and the HA has caused its seal to be hereunto affixed and attested all as of the date first above written.

(SEAL)

ATTEST:

(Housing Authority)

By _____
(Chairperson)

UNITED STATES OF AMERICA
Secretary of Housing and Urban
Development

By _____

(Official Title)

**U.S. Department of Housing
and Urban Development**

Additional Terms and Conditions

**Constituting Part B of a
Consolidated Annual Contributions Contract
Between Housing Authority and
the United States of America**

**Forms HUD-53010 and
HUD-53011 are obsolete**

**Form HUD-53012B
(7/95)**

ATTACHMENT I

Debt Forgiveness Requirements Applicable to Low Income Public and Indian Housing Projects

Section	Page
Section 1 Limitations on Forgiveness of Debt.	I-1
Section 2 Maximum Amount That May Be Forgiven.	I-1

Section 1 - Limitations on Forgiveness of Debt.

(A) Section 4(a) of the Act authorizes HUD to make loans to HAs to help finance the development or modernization of low income housing projects by such agencies. Section 5(a) of the Act authorizes HUD to make annual contributions to HAs, which may in no case exceed the annual debt service payable by such HAs to finance the development or modernization cost of the project involved.

(B) Section 3004 of the Housing and Community Development Reconciliation Amendments of 1985 added section 4(c) to the Act to provide that each loan made by HUD under section 4(a) that has any principal amount outstanding or any interest amount outstanding or accrued that is repayable from debt service annual contributions shall be forgiven and any promise to repay principal and interest in a loan contract shall be cancelled. Section 4(c) further provides that such cancellation of a promise to repay principal and interest shall not affect any other terms and conditions of the ACC, which shall remain in effect as if the cancellation had not occurred.

(C) The forgiveness provided under section 4(c) is limited to loans held by HUD, repayment of which was to be made using annual contributions and does not extend to indebtedness of HAs to holders of bonds or notes sold to the Federal Financing Bank or otherwise, or under indebtedness to HUD not to be paid from annual contributions.

Section 2 - Maximum Amount That May Be Forgiven.

The outstanding principal balance and interest due on loans held by HUD made under section 4 of the Act for the development or modernization of such project, shall be forgiven, not to exceed a maximum principal amount equal to the Actual Development Cost (or Actual Modernization Cost) for such project, and interest thereon. Excess financing, with interest thereon until paid, shall not be forgiven.

ATTACHMENT II

Special Requirements for Section 23 and Section 10(c) Projects

Section		Page
Section 1	General Requirements Applicable to Section 23 and Section 10(c) Projects.	II-1
Section 2	Special requirements Applicable Only to Section 23 Projects	II-2

Section 1 - General Requirements Applicable to Section 23 and Section 10(c) Projects.

(A) Subject to reduction as herein provided, HUD shall pay Basic Annual Contributions to the HA with respect to each dwelling unit in a Section 23 or Section 10(c) project in the amount allocable to dwelling units of its size for each fiscal year in which the dwelling unit is under lease to the HA.

(B) Provided that the total estimated number of dwelling units of all sizes is not exceeded, the HA may lease any combination of the various sizes of dwelling units but shall not lease more than 125% of the estimated number of dwelling units of any specified size without the prior approval of HUD. Notwithstanding the number and size of dwelling units leased by the HA, HUD shall not be obligated to make Basic Annual Contributions with respect to the project for any period in excess of the amount of the Basic Annual Contributions established in this ACC.

(C) Following the end of each fiscal year, the HA shall promptly pay to HUD (unless HUD approves an alternative disposition), the amount of Basic Annual Contributions paid to the HA for such fiscal year with respect to any dwelling unit (1) which the HA did not place under lease; or (2) which may be attributable to: (i) a period prior to the effective date of the lease covering the dwelling unit, or (ii) subsequent to the date of termination of the lease covering any dwelling unit, or (iii) for which the HA is not obligated to pay rent under the lease covering any dwelling unit. Amounts in relation to item (2) above, shall be determined on the basis of 1/365th of the annual amount allocable to the dwelling unit for each day.

(D) The HA shall proceed expeditiously with the leasing of the maximum number of units authorized for use and occupancy by eligible families. If the HA does not proceed expeditiously with the leasing of dwelling units in the project, HUD may, by notice to the

HA, reduce its obligation to pay annual contributions with respect only to the number and sizes of dwelling units under lease to the HA at the date of the HA's receipt of such notice.

(E) The HA shall promptly commence and conduct a continuing survey and listing of available dwelling units that will provide decent, safe, and sanitary dwelling accommodations and related facilities and that are, or may be made, suitable for use as low-rent housing. The HA shall inspect each dwelling unit and shall maintain a current list of approved dwelling units for the project consistent with the need and demand of eligible families for such units.

(F) The initial term of any lease shall be for not less than twelve months nor more than one hundred and twenty (120) months. Each lease may contain a provision for renewal, provided that no such renewal shall result in a total term exceeding one hundred and eighty (180) months for an existing structure or two hundred and forty (240) months for a new structure.

(G) The HA shall not lease more than one dwelling unit in a structure containing ten or less dwelling units or more than 10% of the dwelling units (counting any fraction as one dwelling unit) in a larger structure except to the extent that the HA determines that such limit should not be applied.

(H) The books of account and records of the HA shall be maintained in such manner as will at all times show the operating receipts, operating expenditures, and reserves for the project separate and distinct from all other projects under this ACC. All annual contributions received by the HA in connection with the project shall constitute operating receipts of the project.

(I) The HA hereby pledges the Basic Annual Contributions payable with respect to a Section 23 or Section 10(c) project to the payment of its obligations incurred under this ACC in connection with such project(s).

(J) Upon the occurrence of a substantial default with respect to the project, the HA shall, if HUD so requires, assign to HUD all of its rights and interests in and to the project, or such part thereof as HUD may specify. HUD shall continue to pay the Basic Annual Contributions with respect to the dwelling units and for the terms of the leases so assigned to HUD, and to otherwise operate such units in accordance with the terms of this ACC until reassigned to the HA. After HUD is satisfied that all defaults with respect to the project have been cured and that the project will thereafter be operated in accordance with the terms of this ACC, HUD shall reassign to the HA all of HUD's rights and interests in and to the project, as such rights and interests exist at the time of such reassignment.

Section 2 - Special Requirements Applicable Only to Section 23 Projects.

(A) A HA with a Section 23 tax-exempt bond-financed project must also comply with the additional requirements set forth in Attachment VI to this ACC.

(B) In addition to project reserves remaining at the end of the lease term, funds returned to the HA by a bond trustee at the end of the bond term, or returned to a leased housing corporation created by an HA for the purpose of developing a Section 23 tax-exempt bond-financed project, shall be disbursed as directed by HUD.

(C) Section 23 private-owner financed projects are not subject to the requirements of section 6, Part A, of the ACC ("Cooperation Agreement(s)"), including the making of payments in lieu of taxes provided therein.

ATTACHMENT III

Special Requirements for Turnkey III Homeownership Opportunities Projects

Section	Page
Section 1 Homebuyers' Ownership Opportunity Agreement.	III-1
Section 2 Books of Account.	III-1
Section 3 Application of Purchase Payments.	III-1

Section 1 - Homebuyers' Ownership Opportunity Agreement.

(A) The HA agrees to operate its Turnkey III project(s) in accordance with the regulations and guidelines for the Turnkey III Homeownership Opportunities Program for Low-Income Families, as prescribed by HUD. The HA shall enter into a Homebuyers' Ownership Opportunity Agreement (HOOA), in the form prescribed by HUD, with the occupant of each dwelling in the project. The HOOA shall provide for the ultimate ownership of the dwelling by the occupant who has performed all the obligations and conditions required by the HOOA.

(B) Failure of the HA to enter into such HOOA at the time and in the form prescribed by HUD, failure to perform any obligation imposed under such agreement, or failure to meet any other obligation under this ACC shall constitute a substantial default under the ACC.

Section 2 - Books of Account.

The books of account and records of the HA shall be maintained in accordance with the HOOA as well as other provisions of this ACC and in such manner as will at all times show the operating receipts, operating expenditures, reserves, and other required accounts for the project separate and distinct from all other projects under this ACC.

Section 3 - Application of Purchase Payments.

All funds held or received by the HA that are applied to payment of the purchase price of a home by a Homebuyer shall be used or disposed of by the HA as authorized by HUD in applicable statutes, executive orders, regulations, or contractual documents governing the use of proceeds of sale.

ATTACHMENT IV

Special Requirements for Mutual Help Homeownership Projects

Section	Page
Section 1 Annual Contributions Contract.	IV-1
Section 2 MHO Agreement.	IV-1
Section 3 Books of Account.	IV-2
Section 4 Application of Purchase Payments.	IV-2

Section 1 - Annual Contributions Contract.

The IHA agrees to develop and operate its Mutual Help project(s) in compliance with any applicable HUD regulations and guidelines for the Mutual Help (MH) Homeownership Opportunity Program, and in accordance with all contractual obligations imposed upon the IHA by the Mutual Help and Occupancy Agreement (MHO Agreement).

Section 2 - MHO Agreement.

(A) The MH Program provides low income families with an opportunity to become homeowners in return for the families' agreement to make a minimum contribution toward the development cost of a project, to maintain the home, and to perform all duties of a homebuyer under a MHO Agreement.

(B) As units become available, the IHA shall execute a MHO Agreement, in the form prescribed by HUD, with each eligible family. The IHA shall ensure the homebuyer's compliance with all applicable provisions of the MHO Agreement, and shall be responsible for ensuring that the Mutual Help unit is maintained in a decent, safe and sanitary condition, notwithstanding the homebuyer's failure to meet his or her obligation for maintenance under the MHO Agreement.

(C) The IHA shall ensure that each home in a MH project is used, unless otherwise approved by HUD, solely in accordance with a MHO Agreement executed with an eligible homebuyer.

(D) The IHA's failure to enter into a MHO Agreement with an eligible family for an available home in a Mutual Help project at the times required by HUD, constitutes a substantial default under this ACC.

Section 3 - Books of Account.

The IHA shall maintain books of account and records in accordance with the requirements of the MHO Agreement and any HUD requirements. The books of account and records shall be maintained in such manner as will at all times show the operating receipts, operating expenses, reserves, and other required accounts for the project separate and distinct from all other projects under this ACC.

Section 4 - Application of Purchase Payments.

All funds held or received by the IHA from a homebuyer for the purchase of a MH unit shall be used or disposed of by the IHA as authorized by HUD in applicable statutes, executive orders, regulations, or contractual documents governing the use of proceeds of sale.

ATTACHMENT V

Special Interim Requirements for Development Projects

Section	Page
Section 1 Acquisition of Project Sites.	V-1
Section 2 Architectural and Engineering Services.	V-2
Section 3 Main Construction Contract and Other Contracts.	V-3
Section 4 Taking of Bids.	V-3
Section 5 Liquidated Damages.	V-4
Section 6 Subcontracts and Assignments.	V-4
Section 7 Prevailing Salaries or Wages During Development.	V-4
Section 8 Copeland Act; Contract Work Hours Standards Act.	V-5
Section 9 Wage Claims and Adjustments.	V-6
Section 10 Payrolls and Related Reports.	V-6
Section 11 Other Labor Provisions.	V-7
Section 12 Retention of Contract Rights and Change Orders.	V-7
Section 13 Payment to Contractors.	V-8
Section 14 Acceptance of Contract Work and Completion of Contracts.	V-8
Section 15 Development Cost.	V-9
Section 16 Development Cost Budgets.	V-9
Section 17 Actual Development Cost.	V-10

In addition to the requirements codified at 24 CFR part 941, this attachment lists interim requirements applicable to projects being developed, or proposed to be developed, by a public housing agency. The provisions of this attachment shall expire upon HUD's issuance, for effect, of an interim or final regulation to replace the rule promulgated at 45 FR 60838 (September 12, 1980; 24 CFR part 941, and all subsequent amendments to that rule). This attachment does not apply to Indian housing development, which is governed by regulations codified at Title 24 of the Code of Federal Regulations.

Section 1 - Acquisition of Project Sites.

(A) The HA, unless HUD otherwise approves, shall provide by contract for necessary services of experts in their respective fields for land surveys, title information, and legal services for land

acquisition, appraisals and option negotiations, in accordance with HUD requirements. Approval of such contracts by HUD shall be required if the fees provided therein exceed the maximum amounts then prescribed by HUD. Such contracts shall not be entered into with respect to any project site prior to tentative approval by HUD of such site. The HA shall not undertake to acquire real property unless HUD has approved the acquisition thereof for a project.

(B) The HA, unless HUD otherwise approves, shall obtain a formal appraisal(s), as required by HUD, on each parcel and obtain HUD approval before taking an option, instituting condemnation proceedings, or acquiring title thereto, and shall conduct all negotiations for the acquisition of real property in accordance with regulations and requirements prescribed by the United States Government. In no case shall persons who have made such appraisals be employed to negotiate options.

(C) The HA shall not accept any option for, institute, accept awards under (except as required by applicable law), or appeal any condemnation proceedings for, or otherwise acquire any portion of the site for any project until it has submitted such data with respect thereto as HUD may require, and has obtained the approval of HUD of such action. The HA shall appeal any condemnation award if requested to do so by HUD.

(D) The HA shall acquire good and valid title to the site of each project free and clear of any mortgage, lease, lien, or encumbrance of any nature whatsoever, other than such leases, use restrictions, zoning ordinances, building restrictions, easements, or rights-of-way as will not, in the determination of the HA approved by HUD, adversely affect the value or usefulness of such site for the project.

(E) Upon the vesting of title to the site of each project in the HA and the due recording of deeds or other documents required to be recorded in order to protect such title, the HA shall furnish to HUD a final report on completed land acquisition, together with two copies of: (1) title insurance policies; or (2) title certificates; or (3) attorneys' opinions, showing that the HA has good and valid title, as described in subsection (D) hereof, to the entire site of such project, and that such deeds or other documents have been duly recorded or filed for record wherever necessary to protect such title.

Section 2 - Architectural and Engineering Services.

The HA shall furnish HUD, at such time(s) as HUD may require, and in any event prior to the release of any document for the taking of bids, evidence satisfactory to HUD, showing that the plans, drawings, specifications, and related documents are in accordance with the provisions of this ACC and with all applicable laws, ordinances, and regulations, except to the extent that valid waivers have been obtained from the appropriate authorities. The HA shall obtain all necessary permits or approvals of State and local housing, planning, zoning, building, and other boards, bodies, or officers having jurisdiction, and shall furnish to HUD a certificate listing such

approvals before any Main Construction Contract is let.

Section 3 - Main Construction Contract and Other Contracts.

(A) "Main Construction Work" for any project shall mean all physical construction work, materials, and equipment in connection with such project except demolition, lawns and planting, and the furnishing of movable equipment. "Main Construction Contract" shall mean any contract covering all or any part of the Main Construction Work. "Construction or Equipment Contract" shall mean any contract covering all or any part of the Main Construction Work, or covering demolition, lawn and planting, or the furnishing of movable equipment.

(B) Unless otherwise required by applicable State laws, the Main Construction Work for each project shall be performed under one contract, except that HUD, upon submission of evidence satisfactory to it that such action is in the best interest of the development of the project, may approve: (1) separate contracts for foundations or for any or all elements of site improvements, to be entered into prior to the execution of contracts for the remainder of the Main Construction Work; (2) separate contracts for any or all of the mechanical trades, to be entered into at the same time as the contracts for the remainder of the Main Construction Work; or (3) separate contracts for specific buildings or groups of buildings to be developed concurrently or consecutively.

(C) Demolition, lawns and planting, and the furnishing of movable equipment may be performed under separate contracts or may be included in the same contract(s) as the Main Construction Work.

(D) All Main Construction Work and demolition, lawns and planting, and the furnishing of movable equipment shall be performed under lump-sum contracts, and no part of such work shall, unless approved in advance by HUD, be performed by force account.

Section 4 - Taking of Bids.

(A) The HA shall not request alternate bids (e.g., two different structural systems). Instead, the HA may specify the most expensive system as the base bid and list deductive alternates in inverse priority order so that in the case of a budget overrun, they may be taken in numerical order as listed until the award can be made within available funds.

(B) Each bidder for any of the Construction or Equipment Contracts (except demolition contracts) shall, unless HUD otherwise approves, be required to furnish a bid bond or equivalent guarantee in accordance with requirements set forth in Title 24 of the Code of Federal Regulations. Bidders for demolition contracts shall, unless HUD otherwise approves, be required to furnish a bid bond or equivalent guarantee in an amount not less than ten percent of the cost of labor, materials, hauling, and all other incidental expenses, as estimated by the HA, necessary

to perform the work under the demolition contract, without regard to the value of salvage.

Section 5 - Liquidated Damages.

Each Construction or Equipment Contract shall include provisions, in form and substance satisfactory to HUD, for liquidated damages in the event of delay in the performance of such Construction or Equipment Contract, unless HUD approves the omission of such provisions.

Section 6 - Subcontracts and Assignments.

(A) The HA shall ensure that no subcontractor proposed to carry out work under this ACC is subject to debarment, suspension, or is otherwise ineligible to participate in a Federal assistance program, pursuant to Title 24 of the Code of Federal Regulations.

(B) Each Construction or Equipment Contract shall provide that: (1) the contractor shall make no assignment thereof (other than an assignment of the monies due or to become due thereunder to a bank or financial institution) without the prior approval of the HA, which approval may be given only with respect to a responsible assignee who shall furnish performance and payment bonds in accordance with Title 24 of the Code of Federal Regulations; and (2) such Construction or Equipment Contract may be assigned by the HA to any corporation, agency, or instrumentality authorized to accept such assignment.

Section 7 - Prevailing Salaries or Wages During Development.

(A) Each contract entered into by the HA in connection with the development of any project under which any architects, technical engineers, or technicians are employed shall provide that the HA will not make any payment under such contract unless and until the HA has received a signed statement from the contractor that such contractor and each of his or her subcontractors has made payment to each class of employees in compliance with the applicable prevailing wages, as set forth in Title 24 of the Code of Federal Regulations. The HA shall not make any such payment unless and until it has received such signed statement.

(B) Each contract referred to in subsection (A) entered into by the HA shall require that if the contractor or any of his or her subcontractors finds it necessary or desirable to exceed the prevailing salary or wage rates specified in his or her contract, any expense incurred by the contractor or subcontractors because of the payment of salaries or wages in excess of such amounts shall not be cause for any increase in the amount payable under the contract. The HA shall not consider or allow any claim for additional compensation made by the contractor or subcontractors because of such payments.

Section 8 - Copeland Act; Contract Work Hours Standards Act.

(A) The HA shall incorporate in each contract entered into by it in connection with the construction, prosecution, completion or repair of the projects the following:

"Compliance with Copeland Regulations. The contractor shall comply with the Copeland Regulations (29 CFR Part 3, or any successor provision) of the Secretary of Labor which are herein incorporated by reference."

(B) The HA shall incorporate in each contract entered into by it that may require the employment of laborers or mechanics the following:

"Contract Work Hours Standards Act - Overtime Compensation.

As used in these paragraphs, the terms "laborers" and "mechanics" include watchmen and guards.

(1) **Overtime Requirements.** No contractor or subcontractor contracting for any part of the contract work that may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of eight hours in any calendar day or in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times his or her basic rate of pay for all hours worked in excess of eight hours in any calendar day or in excess of forty hours in such workweek, as the case may be.

(2) **Violations; liability for unpaid wages; liquidated damages.** In the event of any violation of the clause set forth in subsection (B)(1), the contractor and any subcontractor responsible therefor shall be liable to any affected employee for his or her unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic employed in violation of the clause set forth in subsection (B)(1), in the sum of \$10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard forty hours without payment of the overtime wages required by the clause set forth in subsection (B)(1).

(3) **Withholding for liquidated damages.** The HA may withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for

liquidated damages as provided in the clause set forth in subsection (B)(2).

(4) **Subcontracts**. The contractor shall insert in any subcontracts the clauses set forth in subsections (B)(1), (2), and (3) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts that they may enter into, together with a clause requiring this insertion in any further subcontracts that may in turn be made.

Section 9 - Wage Claims and Adjustments.

Each contract entered into by the HA shall provide that in cases of underpayment of salaries or wages to any architects, technical engineers, draftsmen, technicians, laborers, or mechanics by the contractor or any of his subcontractors, the HA may withhold from such contractor out of payments due, an amount sufficient to pay persons employed on the work covered by the contract the difference between the salaries or wages required to be paid under the contract and the salaries or wages actually paid such employees for the total number of hours worked, and shall further provide that the amounts withheld may be disbursed by the HA for and on account of the contractor or the subcontractor to the respective employees to whom they are due. The HA shall in cases of such underpayment withhold such monies and any amounts of liquidated damages due the United States in connection with violations of overtime compensation requirements of the Contract Work Hours Standards Act: provided, That the HA shall not be considered in default under this sentence if it has in good faith made payments to the contractor in reliance upon a signed statement of the contractor that the salaries and wages required under this contract have actually been paid.

Section 10 - Payrolls and Related Reports.

(A) Each contract identified in subsection (A) of section 7 of this Attachment V shall also require that payrolls and basic records relating thereto will be maintained during the course of the work and preserved by the contractor and his or her subcontractors for a period of three years thereafter for all laborers and mechanics employed in the development of the project. Such records shall contain the name and address of each such employee, his or her correct classification, rates of pay (including rates of contributions or costs anticipated of the types described in section 1(b)(2) of the Davis-Bacon Act, or any successor provision), daily and weekly number of hours worked, deductions made, and actual wages paid. Whenever the Secretary of Labor has found under the Contract Work Hours and Safety Standards Act that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act (or any successor provision), the contractor shall maintain records that show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records that show the costs anticipated or the actual cost incurred in

providing such benefits.

(B) The contractor shall be required to submit weekly to the HA such copies and summaries (on forms prescribed by HUD and furnished by the HA) of all of his or her payrolls and those of each of his or her subcontractors, as the HA or HUD may require. Each such payroll and summary shall be accompanied by a statement signed by the employer or his or her agent indicating that: (1) such payroll is correct and complete; (2) the wage rates contained therein are not less than those determined by the Secretary of Labor; and (3) the classifications set forth for each laborer or mechanic conform with the work performed. The contractor shall be required to make his or her employment records available for inspection by authorized representatives of the HA, HUD, and the Department of Labor and to permit such representatives to interview employees during working hours on the job.

Section 11 - Other Labor Provisions.

(A) All disputes concerning the payment of prevailing wage rates or classifications arising under this ACC or under any contract entered into by the HA involving: (1) significant sums of money; (2) large groups of employees; or (3) novel or unusual situations, shall be promptly reported to HUD for decision or, at the option of HUD, referral to the Secretary of Labor. The decision of HUD or the Secretary of Labor, as the case may be, shall be final. Each contract entered into by the HA shall embody the provisions of this paragraph.

(B) All questions arising under this ACC or under any contract relating to the application or interpretation of the Copeland Act or the Contract Work Hours Standards Act shall be referred to the Secretary of Labor for ruling or interpretation, and such ruling or interpretation shall be final. Each contract entered into by the HA shall embody the provisions of this subsection.

Section 12 - Retention of Contract Rights and Change Orders.

(A) With respect to all contracts entered into by the HA in connection with the development of any project, the HA: (1) except in an emergency endangering life or property, shall not, without HUD approval, amend, modify, or consent to any change in any such contract or contractual provision that is required by this ACC to be approved by HUD; (2) shall at all times retain, preserve, and enforce all its rights under all such contracts; and (3) shall not, without the prior approval of HUD, waive, release, or compromise any right or claim that it may have under any such contract.

(B) Each Construction or Equipment Contract shall contain the following provision:

"Except in any emergency endangering life or property, no change shall be made by the contractor unless he or she has received a prior written order from HUD approved on its face by HUD authorizing the change, and no claim for an adjustment of the contract price

or time shall be valid unless so ordered."

Section 13 - Payment to Contractors.

(A) Each Construction or Equipment contract may provide for partial payments by the HA to the contractor. In such event, the Construction or Equipment Contract shall provide that the contractor shall supply to the HA, in a form satisfactory to HUD, a detailed estimate showing a complete breakdown of the contract price. Partial payment shall be made in accordance with periodic estimates based upon said detailed breakdown and with appropriate supporting data. The periodic estimates shall cover work performed (including materials delivered to and properly stored on the site with the approval of the HA) during the preceding period, and shall be duly certified and approved by persons designated by the HA. In making periodic partial payments, the HA shall retain at least 10 percent of the amount of each periodic estimate until final completion and acceptance of all work covered by the particular contract: Provided, That after one-half of the work has been completed, and if the work is progressing satisfactorily and continues to so progress, the HA may make the remaining partial payments in full for the work subsequently completed.

(B) Each Construction or Equipment Contract shall provide that final payment to the contractor by the HA of amounts retained under subsection (A) shall not be made until: (1) the contractor has furnished a release, in a form approved by HUD, of all claims against the HA arising under and by virtue of such Construction or Equipment Contract, or other than such claims, if any (the basis, scope, and amount of each of which are clearly defined and stated) as may be specifically excepted by the contractor from the operation of such release; and (2) the contractor has furnished evidence satisfactory to the HA that the contractor has paid, and that his or her subcontractors have paid, all sums due to laborers, mechanics, and materialmen.

Section 14 - Acceptance of Contract Work and Completion of Contracts.

(A) Each Construction or Equipment Contract shall require that the work covered thereby shall be completed within the time specified therein and such extensions as may be granted by the HA. The HA shall grant no such extension without approval thereof by HUD.

(B) With respect to each Construction or Equipment Contract, the HA may accept the work thereunder in parts or in its entirety. Such acceptance may be acceptance of the work involved either as: (1) fully complete and satisfactory; or (2) completed but with an adjustment in price for noncompliances; or (3) completed subject to the correction of specific minor items. No work shall be so accepted by the HA unless such acceptance is approved by HUD, or HUD has waived such approval: provided, That the HA may accept work required in the correction of specific minor items without the approval of HUD.

(C) After acceptance of all work (including the correction of any specific minor items) under

each Construction or Equipment Contract, the HA shall submit for approval by HUD a certificate of: (1) full completion; or (2) full completion but with an adjustment in price for noncompliances, and shall include in such certificate a statement of the final amount due and payable to the contractor.

Section 15 - Development Cost.

(A) "Date of Full Availability" with respect to each project shall mean the last day of the month in which substantially all dwelling units in such project became available for occupancy.

(B) "Initial Operating Deficit" of any project as of the end of the Initial Operating Period thereof shall mean the amount, if any, by which the Operating Expenditures thereof to such date exceeded the Operating Receipts.

Section 16 - Development Cost Budgets.

(A) Until such time as a budget of Development Cost (herein called "Development Cost Budget") is approved by HUD for any project, the breakdown of the Maximum Development Cost set forth in the applicable Development Program shall constitute the approved Development Cost Budget for such project.

(B) At the time the HA requests HUD approval of the award of contracts for the Main Construction Work of any project, it shall submit for HUD approval a Development Cost Budget for such project that shall be based upon: (1) the amount of the proposed award(s); (2) costs and obligations incurred to such date; (3) the estimated amount of costs and obligations not yet incurred; and (4) an allowance for contingencies in such amount as HUD may approve.

(C) In the event that in the judgment of the HA it appears necessary with respect to any project to incur Development Cost in excess of the total amount shown in the last previously approved Development Cost Budget for such project, or that it appears necessary with respect to any of the main classifications of Development Cost to incur costs in excess of the amount shown therefor in the last previously approved Development Cost Budget for such project plus the share of the allowance for contingencies allocated to such main classifications, or if for any other reason the HA deems it advisable, it may prepare and submit to HUD for its approval a revised Development Cost Budget for such project.

(D) Not earlier than six months nor later than twenty-four months after the Date of Full Availability of each project, the HA shall submit for HUD approval a final Development Cost Budget for such project which shall be based upon: (1) costs and obligations incurred to such date including a reasonable allowance for disputed, contingent, or unliquidated liabilities, and for legal and other costs and expenses in connection with the settlement of such liabilities; and (2) the estimated amount of costs and obligations not yet incurred for work, equipment, and

services deemed necessary for the completion of such project. No other allowance for contingencies shall be included in such final Development Cost Budget.

(E) HUD shall promptly review each proposed Development Cost Budget and notify the HA of its approval or disapproval thereof. If HUD disapproves any proposed Development Cost Budget, the HA shall be so notified in writing and be furnished with a detailed explanation of the reasons for such disapproval. Upon approval by HUD of any Development Cost Budget for any project, such budget shall supersede all previously approved budgets for such project, and the total of such budget shall thereafter and for all purposes of this ACC be the Maximum Development Cost of such project, and shall for all purposes of this ACC correspondingly revise the aggregate Maximum Development Cost of all the projects.

(F) The HA shall not with respect to any project incur costs in excess of the amounts shown in the last previously approved Development Cost budget for such controlled accounts as may be specified by HUD.

Section 17 - Actual Development Cost.

(A) The HA shall, as promptly as possible consistent with the maintenance of its rights against its contractors, settle and pay all disputed, contingent, or unliquidated items of Development Cost on all projects.

(B) Whenever the HA shall be satisfied that all the development work on each project has been properly completed, and that the entire Development Cost on such project (including all items that may have theretofore been disputed, contingent, or unliquidated) has been fully paid, the HA shall submit to HUD for its approval a certificate setting forth the total amount of the Development Cost of such project (herein called the "Actual Development Cost"), stating that: (1) all such development work has been completed; (2) the entire Development Cost or liabilities therefor incurred by the HA have been fully paid; (3) there are no undischarged mechanics', laborers', contractors', or material-men's liens on such project on file in any public office where the same should be filed in order to be valid liens against such project; and (4) the time in which such liens could be filed has expired. Upon approval by HUD, such certificate shall be known as the "Actual Development Cost Certificate." The determination of the amount of the Actual Development Cost contained in such Actual Development Cost Certificate so approved by HUD shall be final and conclusive for all purposes of this ACC, and upon the determination of Actual Development Cost, a copy of the approved Actual Development Cost Certificate shall be attached to this ACC and shall be deemed to further amend the ACC to state the Actual Development Cost.

(C) If the HA shall unduly delay in the submission of the Actual Development Cost Certificate for any project, HUD may give notice to the HA that the amount of the Development Cost of such project incurred to the date of such notice shall be considered to be the Actual Development

Cost of such project, and such notice shall constitute the Actual Development Cost Certificate for such project for all the purposes of this ACC, and shall be deemed to amend the ACC to state the Actual Development Cost.

(D) Promptly after the issuance of the Actual Development Cost Certificate for any project the HA shall: (1) if such project is then permanently financed, deposit any remaining balance of the monies theretofore received for the purpose of the development of such project in the Advance Amortization Fund; or (2) if such project is not then permanently financed, apply any such remaining balance to the payment of outstanding Advance Notes or Temporary Notes issued in connection with such project.

(E) Subsequent to the issuance of the Actual Development Cost Certificate for any project, no cost for additional development work shall be incurred by the HA without the approval of HUD. In the event that the HA and HUD agree that additional development work is necessary, the Actual Development Cost Certificate shall be amended to include the cost of such additional development work.

ATTACHMENT VI

Special Requirements Applicable to Projects Financed Through the Issuance of Tax-Exempt Bonds or Notes Sold to the Federal Financing Bank

Section		Page
Section 1	Reconstruction and Restoration.	VI-1
Section 2	Advances by HUD; Mortgage.	VI-2
Section 3	Bond Resolutions and Fiscal Agent.	VI-2
Section 4	Delivery of Bonds.	VI-3
Section 5	Annual Contributions.	VI-4
Section 6	Debt Service Fund.	VI-7
Section 7	Advance Amortization Fund.	VI-8
Section 8	General Limitations on Annual Contributions.	VI-9
Section 9	Pledge of Annual Contributions.	VI-9
Section 10	Refunding of Bonds.	VI-10
Section 11	Faith of the United States Pledged to Payment of Annual Contributions.	VI-10
Section 12	Continuance of Annual Contributions.	VI-11
Section 13	Rights and Obligations of HUD During Tenure Under Section 18, Part A, of the ACC.	VI-11

This attachment lists special requirements applicable to projects financed by tax-exempt bonds or notes sold to the Federal Financing Bank. These requirements shall expire when all such bonds and notes associated with a particular project are paid off.

Section 1 - Reconstruction and Restoration.

(A) If a project, or any portion of a project, is damaged or destroyed, the HA shall establish promptly (by settlement approved by the HA and HUD, or by litigation) and collect all valid claims which may have arisen against insurers or others based upon any such damage or destruction. In addition, the HA shall reconstruct, restore or repair the project, except as otherwise provided in this section.

(B) The HA shall deposit into the General Fund the proceeds of any claims and any other monies provided for the reconstruction, restoration, or repair of a project and shall reserve such funds for these purpose(s). Unless otherwise approved by HUD, the HA shall use these funds to pay for the cost of reconstructing, restoring, or repairing the project. Any funds that remain after completing the work and paying off all costs associated with the work are to be applied as follows: (1) to pay off any indebtedness that the HA may have incurred to provide such funds; (2) to reimburse any other reserve or other account that may have been used to provide the funds; and (3) as unreserved Operating Receipts.

(C) If the reconstruction, restoration, or repair of the project can be accomplished substantially as one operation, is not to be performed by the HA's regular staff, and the estimated cost is in excess of \$10,000, the HA shall ensure that the work is done in compliance with the requirements of section 5, Part A, of the ACC.

(D) Upon approval by HUD, the HA may determine that all or part of the damage to or destruction of a project shall not be reconstructed, restored, or repaired. In such event, the HA shall deposit into the Advance Amortization Fund the proceeds of any claims against insurers or others as a result of the damage or destruction, to the extent these proceeds are not used to reconstruct, restore, or repair the project.

Section 2 - Advances by HUD; Mortgage.

(A) Each advance provided by HUD to a HA for the development of a project shall be evidenced by an obligation duly issued and delivered by the HA, in a form satisfactory to HUD, which obligation shall bear interest at the applicable Loan Interest Rate from the date the advance is made, and shall otherwise conform to the following:

(1) Each obligation (herein called a "Project Loan Note") evidencing an advance made for the Development Cost of any project not permanently financed, together with interest on such note, shall be due and payable on demand.

(2) Each obligation (herein called a "Permanent Note"), evidencing an advance made for the development cost of any permanently financed project, together with interest on the Note, shall (subject to the HA's right to prepay some or all of this amount) be payable on the first day of the month following each Annual Contribution Date. Such amount is payable in annual installments (applicable first to interest and then to principal) equal to the portion of the Debt Service Annual Contribution allocable to the Note, in accordance with section 5(C) of this Attachment. Each Permanent Note issued to refund or renew other Permanent Notes, in whole or in part, shall be payable in installments equal to the installments payable upon the Notes so refunded or renewed. Each Permanent Note shall further provide that the holder of the Note may declare the Note to be due and payable in full at any time: (1) when there is any default in the payment of any installment of principal or interest; or (2) when the HA is in substantial

default; or (3) upon the termination of this ACC.

(B) HUD shall not demand payment of, nor pledge, sell, or otherwise dispose of any Project Loan Note unless: (1) the HA is in substantial default; or (2) HUD has given notice of the termination of this ACC in accordance with section 17(H), Part A, of this ACC.

(C) Each Project Loan Note or Permanent Note issued in connection with a project shall be secured, to the extent authorized or permitted by law, by a mortgage, deed of trust, or other equivalent lien upon the project.

Section 3 - Bond Resolutions and Fiscal Agent.

(A) Before the delivery of the first issue of bonds, the HA shall enter into, and thereafter maintain, a fiscal agency agreement, in substantially the form prescribed by HUD. Immediately upon executing the agreement, the HA shall furnish HUD with executed or conformed copies of the agreement as may be required by HUD.

(B) The Fiscal Agent named in the Bond Resolutions in connection with the first issue of Bonds shall also be named as Fiscal Agent in all subsequent Bond Resolutions, and shall administer the Debt Service Fund and the Advance Amortization Fund. The HA shall require the Fiscal Agent to furnish HUD with such reports and other data relating to accounts under this ACC as may reasonably be required by HUD.

Section 4 - Delivery of Bonds.

(A) Delivery of (including payment for) each issue of Bonds shall be made at the time and place established in the terms of the offering.

(B) At such time all amounts paid by purchasers of the bonds on account of accrued interest shall be paid to the Fiscal Agent for deposit in the Debt Service Fund, and all amounts paid on account of premiums shall be paid to the Fiscal Agent for deposit in the Advance Amortization Fund or, with the approval of HUD, be used for the repurchase of bonds.

(C) At such time, and as a condition precedent to the delivery of such bonds, the HA shall deposit or cause to be deposited with the Fiscal Agent in the Debt Service Fund from the bond proceeds (or from any other monies of the HA, including monies available for such purpose under section 5(C)(6) of this Attachment) an amount equal to: (1) the interest on the issue of bonds becoming due and payable six months after the Bond Date of such issue, less (2) any portion thereof deposited in the Debt Service Fund on account of accrued interest, and less (3) any amount which may then be on deposit in the Debt Service Fund for such purpose.

(D) At such time, and as a condition precedent to the delivery of such bonds, the HA shall advance or cause to be advanced from the bond proceeds (or from any other monies of the HA) to the Fiscal Agent for deposit in the Debt Service Fund an amount equal to: (1) the interest on such issue of Bonds becoming due and payable twelve months after the Bond Date of such issue, less (2) any portion thereof deposited in the Debt Service Fund on account of accrued interest. At a later date, the HA shall be reimbursed by the Fiscal Agent for such advance in accordance with section 6(E) of this Attachment.

(E) At such time the HA shall pay or cause to be paid from the bond proceeds (or from other monies of the HA) the principal of and interest on all outstanding Project Loan Notes, Permanent Notes, and Project Notes to the extent that the principal of such Notes includes an amount for any part of the Development Cost financed by such issue of Bonds.

(F) Upon delivery of the first issue of Bonds to finance any part of the Development Cost of a Project, such Project shall be considered to be "Permanently Financed."

(G) If, at the time of the delivery of an issue of Bonds, the HA does not have available the amount set forth in subsection (D) of this section to advance to the Fiscal Agent for deposit in the Debt Service Fund, HUD shall advance on account of the loan herein provided an amount equal to such deficiency. Such advance shall be made and deposited in the manner described in subsection (D) of this section, but shall not be included in the amount of the Minimum Development Cost of any project. The Fiscal Agent shall, on behalf of the HA, reimburse HUD for such advance at the time and in the manner provided for reimbursement of similar advances to the HA, in accordance with section 6(E) of this Attachment. Such advance shall bear interest at the Loan Interest Rate and the interest shall be paid from Operating Receipts as an Operating Expenditure.

Section 5 - Annual Contributions.

(A) HUD shall make annual contributions to the HA for each project. Such annual contributions shall include Debt Service Annual Contributions (or Basic Annual Contributions in respect to Leased Housing projects) and Additional Annual Contributions pursuant to section 11, Part A, of the ACC. HUD (1) shall make Debt Service Annual Contributions to the HA for each permanently financed project; and (2) may, in its determination, make Debt Service Annual Contributions to the HA for each project that is not permanently financed. The date upon which each Debt Service Annual Contribution is payable (except the first Debt Service Annual Contribution with respect to a project not permanently financed, which may be made available as of the Date of Full Availability of such project) shall be known as the "Annual Contribution Date." If the Annual Contribution Date is not specifically set forth in this ACC, it shall be deemed to be the fifteenth day of the fourth, fifth or sixth month of the fiscal year, as determined by HUD.

(B) The first Debt Service Annual Contribution with respect to each permanently financed project shall be due and payable on the Annual Contribution Date which is seventeen months and fourteen days after the Bond Date of the first issue of bonds issued to finance any part of the development cost of the project. For projects that are not permanently financed, the first Debt Service Annual Contribution may be made available as of the Date of Full Availability of the project and shall be determined in accordance with subsection (C)(1)(d) of this section 5. If the first Debt Service Annual Contribution for a project is made available as of the Date of Full Availability of the project, the second Debt Service Annual Contribution with respect to the project may be made on the Annual Contribution Date that occurs not less than twelve months subsequent to the Date of Full Availability. Subsequent annual contributions shall be due and payable on each Annual Contribution Date thereafter.

C) On each Annual Contribution Date, HUD shall pay (subject to reduction as provided in this section 5) Debt Service Annual Contributions for each project for which any Debt Service Annual Contributions are then payable.

(1) The amount of the Debt Service Annual Contribution shall be equal to the sum of the level debt services of all unmatured issues of bonds, bearing a Bond Date not later than seventeen months and fourteen days prior to such Annual Contribution Date, as specified in the applicable Bond Resolution, plus an amount or amounts allocable to Permanent (or Project Loan Notes, as follows:

(a) For each project that is permanently financed by an issue of bonds equal to the minimum development cost first established for the project, an amount, as determined by HUD, which if applied annually at the interest rate (adjusted to the nearest one-eighth of one percent) charged the HA during the next preceding fiscal year in respect to the unamortized portion of the minimum development cost of the project which exceeded as of the last day of such fiscal year the principal amount of such issue of bonds would fully amortize such portion not later than the first day of the month following the last Annual Contribution Date for such project; and

(b) For each project that is permanently financed by an issue of bonds in an amount less than the amount of the minimum development cost first established for the project, an amount equal to (i) the applicable minimum loan interest rate times the amount by which the minimum development cost as first established for the project exceeds the principal amount of such issue of bonds, plus (ii) an amount, as determined by HUD, which if applied annually at the interest rate (adjusted to the nearest one-eighth of one percent) charged the HA during the next preceding fiscal year in respect to the portion of the minimum development cost of the project which exceeds, as of the last day of the fiscal year, the minimum development cost as first established for the project would fully amortize such portion not later than the first day of the month following the last Annual Contribution Date for the project; and (iii) commencing on the Annual Contribution Date next following

the last maturity date of such issue of bonds, the amount of the level debt service of such issue of bonds; and

(c) For each project that is financed by a permanent note in lieu of bonds, an amount, as determined by HUD, which, if applied annually at the interest rate (adjusted to the nearest one-eighth of one percent) charged the HA during the next preceding fiscal year in respect to the unamortized portion of the minimum development cost of the project that exceeded (as of the last day of such fiscal year) the minimum development cost as first established for the project would fully amortize such portion not later than the first day of the month following the last Annual Contribution Date for the project; and

(d) For each project that is not permanently financed, an amount, as determined by HUD, which if applied annually at the interest rate (adjusted to the nearest one-eighth of one percent) charged the HA during the next preceding fiscal year in respect to the unamortized portion of that figure determined by HUD to be that below which the development cost of the project shall in no event fall would fully amortize such portion not later than the first day of the month following the last Annual Contribution Date for the project.

Upon delivery of any issue of bonds to refund Permanent or Project Loan Notes, the amount of the level debt service of such issue of bonds shall be in lieu of the portion of the Debt Service Annual Contribution allocable to such Notes whether pursuant to clause (a), (b), (c), or (d) above.

(2) On each Annual Contribution Date, the actual amount of the Debt Service Annual Contribution to be paid (herein called the "Accruing Annual Contribution") shall be an amount equal to the Debt Service Annual Contribution less (1) the amount then on deposit in the Debt Service Fund for the reduction of annual contributions pursuant to subsection (B) of section 6 of this Attachment, and (2) any amount then on deposit in the Debt Service Fund, pursuant to subsection (B) of section 4 of this Attachment, on account of interest accrued on any issue of Bonds after a date that is six months after the Bond Date of such issue.

(3) Notwithstanding any other provision of this ACC, HUD may make payment of any Accruing Annual Contribution in semi-annual installments as follows: (a) the first installment shall be paid on the Annual Contribution Date in the amount, if any, by which (i) the Accruing Annual Contribution exceeds (ii) the amount of principal and interest that shall become due and payable on the next following anniversary of the Bond Date on all bonds outstanding at the end of the preceding fiscal year and that bears a Bond Date not later than seventeen months and fourteen days prior to such Annual Contribution Date; (b) the balance of such Accruing Annual Contribution shall be paid on the date six months after such Annual Contribution Date.

(4) At least thirty days prior to each Annual Contribution Date, the Fiscal Agent shall file with HUD a report showing the amount of each deposit made into the Debt Service Fund since the

next preceding Annual Contribution Date and the balance in the Debt Service Fund as of the date of such report.

(5) Except as otherwise provided in subsections (C)(6) and (7) of this section 5, HUD shall pay each Accruing Annual Contribution, or installment thereof, to the Fiscal Agent for deposit in the Debt Service Fund. At the time of such payment, HUD shall furnish to the HA and to the Fiscal Agent a statement showing (in detail and with appropriate explanations) the amount of the Accruing Annual Contribution, and the method by which the Accruing Annual Contribution shall be paid. Each such statement shall include a schedule showing, on the basis of information available to HUD, the distribution of the funds in the Debt Service Fund to be made pursuant to section 6 of this Attachment.

(6) On each Annual Contribution Date on which any Permanent, Project Loan, or Project Notes issued in connection with any project with respect to which an annual contribution is then payable remain outstanding and until full repayment, with interest at the applicable Loan Interest Rate, of all expenditures, if any, made by HUD in connection with any such Project pursuant to section 13 of this Attachment, such portion of the Accruing Annual Contribution, which if deposited in the Debt Service Fund would (together with the monies then on deposit in said Fund for the reduction of annual contributions pursuant to this ACC plus the amount of the second installment, if any, of such Accruing Annual Contribution) exceed the sum of: (a) an amount equal to the principal and interest becoming due and payable during the twelve month period following such Annual Contribution Date on each issue of bonds bearing a Bond Date not later than seventeen months and fourteen days prior to such Annual Contribution Date, plus (b) an amount equal to the aggregate Bond Service Carry-Over required to be on deposit in the Debt Service Fund on the next succeeding Annual Contribution Date, may be withheld by HUD, and applied to the full extent thereof. Such amount shall be applied, first, to reimburse the HA for any advance made pursuant to section 4(D) of this Attachment. Thereafter, such amounts shall be used pay the interest and principal of such Notes and to repay such expenditures in proportion, with respect to each such project, to the applicable portion of the Debt Service Annual Contribution determined pursuant to clauses (a), (b), (c), or (d) of section 5(C)(1) of this Attachment. However, any amounts that would otherwise be applied to the payment of principal under the second order of preference may be withheld for not more than twelve months and be used for the payment of interest on any bonds that may be subsequently issued to refund such Notes and expenditures.

(7) When monies sufficient for the payment and discharge of all bonds have been deposited in trust for such purpose with the Fiscal Agent, Accruing Annual Contributions, and monies otherwise payable to the Debt Service Fund shall be applied, as approved by HUD, to the payment of the Notes and expenditures and in the proportions as prescribed in subsection (C)(6) of this section 5. Monies so applied by the HA during the twelve month period preceding each Annual Contribution Date which, except for the provisions of this subsection (C)(7), would have been on deposit on such Annual Contribution Date in the Debt Service Fund for the reduction

of annual contributions, shall be deemed to have been on deposit in the Debt Service Fund on such Annual Contribution Date for the purpose of subsection (2) of this section 5(C).

(8) HUD shall not pay or make available any Accruing Annual Contribution pursuant to this ACC in excess of an amount which, together with all monies then on deposit in the Debt Service Fund, shall be sufficient to fully pay and retire the outstanding Bonds, Permanent Notes, Project Loan Notes, and Project Notes issued in connection with all projects for which annual contributions become payable and to repay, with interest at the applicable Loan Interest Rate, all expenditures made by HUD in connection with the development of such projects pursuant to section 13 of this Attachment. The obligation of HUD to pay or make available Debt Service Annual Contributions pursuant to this ACC with respect to any such project shall terminate when: (a) all such Bonds and Notes issued in connection with the project have been fully paid and retired, or when monies sufficient for their payment and retirement have been deposited in trust for such purpose in accordance with the terms of such bonds and notes; and (b) all such expenditures, with interest thereon, by HUD in (connection with such project are fully repaid.

Section 6 - Debt Service Fund.

(A) Upon the delivery of any issue of bonds, there shall be deposited in the Debt Service Fund the amounts required pursuant to subsections (B), (C), and (D) of section 4 of this Attachment.

(B) Within sixty calendar days after the end of each fiscal year, the HA shall deposit with HUD for the reduction of debt service annual contributions:

(1) The amount of the interest on each issue of bonds bearing a Bond Date not later than seventeen months and fourteen days prior to the Annual Contribution Date next following the end of such fiscal year, which accrued during such fiscal year after (i) the date that is six months after the Bond Date of each such issue of Bonds; or (ii) the date of delivery of such issue, whichever is later, up to (i) the Date of Full Availability of the project financed by such issue or (ii) the end of such fiscal year, whichever is earlier; and

(2) The amount of any unpaid interest, on Permanent Notes and Project Notes issued in connection with any project that was permanently financed on or before the last day of such fiscal year by an issue of Bonds bearing a Bond Date not later than seventeen months and fourteen days prior to the Annual Contribution Date next following the end of such fiscal year, up to (i) the Date of Full Availability of such project or (ii) the end of such fiscal year, whichever is earlier.

(C) Upon receipt from HUD of each Accruing Annual Contribution or installment thereof, such amount shall be deposited in the Debt Service Fund.

(D) On each interest payment date of the bonds, the Fiscal Agent shall, out of the Debt Service Fund, pay the principal and interest maturing on the bonds.

(E) On the first day of the month following each Annual Contribution Date the Fiscal Agent shall, out of the Debt Service Fund, reimburse the HA for any advance made pursuant to subsection (D) of section 4 of this Attachment on account of interest on issues of bonds bearing a Bond Date not later than seventeen months and fourteen days prior to such Annual Contribution Date.

(F) On the first day of the month following each Annual Contribution Date, the Fiscal Agent, after (1) paying all bonds and bond interest that have then become due and payable, or that will become due and payable on the next succeeding anniversary of the Bond Date, (2) making provision for the Bond Service Carry-Over, shall, unless otherwise approved by HUD, apply the balance in the Debt Service Fund in the following order: First, to the payment of interest and principal of the notes and repayment of the expenditures in the same manner, and to the same extent as prescribed in subsection (C)(7) of section 5 of this Attachment; and, Second, to transfer to the Advance Amortization Fund. In making provision for the payment of the bonds and bond interest that shall become due on the next succeeding anniversary of the Bond Date and for the Bond Service Carry-over, the Fiscal Agent shall consider the second installment, if any, of the Accruing Annual Contribution as if it had actually been paid on the Annual Contribution Date.

Section 7 - Advance Amortization Fund.

(A) There shall be deposited in the Advance Amortization Fund the following: (1) bond premiums as provided in subsection (B) of section 4 of this Attachment; (2) amounts transferred from the Debt Service Fund, as provided in subsection (F) of section 6 of this Attachment, and (3) proceeds of claims against insurers and others arising out of damage to or destruction of any project to the extent provided in subsection (D) of section 1 of this Attachment.

(B) The Fiscal Agent shall as rapidly as possible apply all monies deposited in the Advance Amortization Fund, as directed by the HA with the approval of HUD: (1) to the payment of interest of the notes and the repayment of expenditures in the same manner and to the same extent as prescribed in subsection (C)(7) of section 5 of this Attachment; (2) to the purchase, at not more than the cost of redemption, of any outstanding bonds; and (3) to the redemption of any outstanding bonds on the terms provided in the Bond Resolutions. All bonds purchased or redeemed by or on behalf of the HA shall be immediately cancelled and shall not be reissued.

(C) In the event that, sixty-one days after the end of any fiscal year, it appears that the balance then on deposit in the Advance Amortization Fund, together with all monies then on deposit in the Debt Service Fund together with a Debt Service Annual Contribution, would be sufficient to fully pay and retire the outstanding bonds, permanent notes, project loan notes, and project

notes issued in connection with projects for which annual contributions have then become payable and to repay, with interest at the applicable Loan Interest Rate, all expenditures made by HUD in connection with the development of such projects pursuant to section 13 of this Attachment, the Fiscal Agent shall on such date deposit in the Debt Service Fund for the reduction of annual contributions the balance then remaining in the Advance Amortization Fund, and any deposits that would, except for this subsection (C), be made to the Advance Amortization Fund shall be made to the Debt Service Fund for the reduction of annual contributions.

Section 8 - General Limitations on Annual Contributions.

(A) Notwithstanding any other provision of this ACC, not more than one annual contribution for each year of the Maximum Contribution Period of any project shall be paid or made available by HUD for such project; nor shall any such annual contribution be paid or made available for any such project subsequent to the end of the Maximum Contribution Period of such project.

(B) No annual contribution shall be paid or made available by HUD for any project (except as provided in section 12 of this Attachment) unless such project is exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political supervision.

(C) No annual contributions shall be paid or made available by HUD for any project (except as provided in section 12 of this Attachment) in the event of the acquisition of such project by a third party in any manner including a bona fide foreclosure under a mortgage or other lien.

Section 9 - Pledge of Annual Contributions.

(A) The amounts required by subsections (B), (C), and (D) of section 4 of this Attachment to be deposited in the Debt Service Fund upon delivery of each issue of Bonds on account of the interest on such issues of bonds that becomes due and payable six months and twelve months, respectively, from the Bond Date of such issue shall be pledged to the payment of such interest.

(B) The Accruing Annual Contribution that is due and payable on each Annual Contribution Date (including the second installment thereof if any) together with (1) the aggregate Bond Service Carry-Over, if any, required to be on deposit in the Debt Service Fund on such Annual Contribution Date, and (2) all other amounts required to be deposited in the Debt Service Fund for the reduction of annual contributions during the twelve month period ending with such Annual Contribution Date, shall be pledged as follows:

(1) An amount equal to the principal and interest becoming due and payable during the twelve month period following such Annual Contribution Date on each issue of Bonds bearing a Bond Date not later than seventeen months and fourteen days prior to such Annual

Contribution Date shall be pledged for the payment of such principal and interest;

(2) An amount equal to the aggregate Bond Service Carry-Over required to be on deposit in the Debt Service Fund on the next succeeding Annual Contribution Date shall be pledged for the purpose of providing such Carry-Over; and

(3) An amount equal to the sum of the portions of the Debt Service Annual Contributions as determined pursuant to clauses (a), (b), (c), and (d) of section 5(C)(1) of this Attachment shall be pledged for the payment of the interest and principal of the Permanent Notes, Project Loan Notes and Project Notes and repayment of expenditures made by HUD pursuant to section 13 of this Attachment in connection with Projects with respect to which annual contributions have become payable.

(C) The annual contributions to be made available by HUD hereunder shall not, without the approval of HUD, be pledged for any purpose other than as specifically provided in this ACC.

Section 10 - Refunding of Bonds.

The HA may, with the approval of HUD, refund any outstanding issue of Bonds upon such terms and conditions as may be mutually agreed upon between the HA and HUD.

Section 11 - Faith of the United States Pledged to Payment of Annual Contributions.

As set forth in the Act, the faith of the United States is solemnly pledged to the payment of all annual contributions contracted for in this ACC, and by the provisions of the Act there is authorized to be appropriated in each Federal fiscal year, out of any money in the Treasury of the United States not otherwise appropriated, the amounts necessary to provide for such payment.

Section 12 - Continuance of Annual Contributions.

(A) HUD hereby determines that sections 17 and 18, Part A, of the ACC include provisions that are in accordance with section 6(g)(2) of the Act.

(B) Whenever the annual contributions, pursuant to this ACC, have been pledged by the HA as security for the payment of the principal and interest on the Bonds or other obligations issued pursuant to this ACC, HUD (notwithstanding any other provisions of this ACC) shall continue to make the annual contributions provided in this ACC available for the projects so long as any of such Bonds or obligations remain outstanding; and, in any event, such annual contributions shall in each year be at least equal to an amount which, together with such income or other funds as are actually available from the projects for the purpose at the time such annual contribution

is made, shall suffice for the payment of all installments, falling due within the next succeeding twelve months, of principal and interest on the Bonds or other obligations for which the annual contributions provided for in this ACC have been pledged as security: provided, That in no case shall such annual contributions be in excess of the maximum sum specified in this ACC, nor for longer than the remainder of the maximum period fixed by this ACC.

**Section 13 - Rights and Obligations of HUD During Tenure Under
Section 18, Part A, of the ACC.**

Neither the conveyance of title to or the delivery of possession of the projects by the HA pursuant to section 18, Part A, of the ACC, nor the acceptance of such title or possession by HUD, shall abrogate or affect in any way any indebtedness of the HA to HUD arising under this ACC, and in no event shall any such conveyance or delivery or any such acceptance be deemed to constitute payment or cancellation of any such indebtedness.

ATTACHMENT VII

Insurance Requirements

Section		Page
Section 1	Mandatory and Optional Insurance Coverage.	VII-1
Section 2	Authorized Insurance Companies.	VII-2
Section 3	Certificates of Insurance.	VII-2
Section 4	Waivers and Self-Insurance Funds.	VII-2

Section 1 - Mandatory and Optional Insurance Coverage.

The following types of insurance are either required or should be purchased if the HA determines that exposure exists.

(A) **Commercial Property.** Mandatory. Each policy must be written with a blanket limit, on a replacement cost basis, and with an agreed value clause eliminating any coinsurance provision.

(B) **Commercial General Liability.** Mandatory.

(C) **Workers Compensation and Employers Liability.** Mandatory.

(D) **Owned and Non-Owned Automobile Liability.** Mandatory.

(E) **Theft, Disappearance, and Destruction.** Mandatory only if the amount of cash and checks on hand at any one time exceeds the amount prescribed by HUD.

(F) **Employee Dishonesty.** Mandatory.

(G) **Boiler and Machinery.** Mandatory only if steam boilers have been installed. However, coverage is recommended if there is extensive central air conditioning, electrical transformers, or similar equipment.

(H) **Flood.** Mandatory only for property located in a flood plain, as determined in the Federal Government's National Flood Insurance Program.

(I) **Directors and Officers or Public Officials Liability.** Optional coverage, but highly recommended.

(J) **Lead-Based Paint Liability.** Mandatory for HAs undergoing lead-based paint testing and abatement.

(K) **Law Enforcement Liability.** Optional, but highly recommended where the exposure exists, and the Commercial General Liability insurer has excluded coverage.

Section 2 - Authorized Insurance Companies.

Insurance must be purchased from an insurance company or other entity that is licensed or duly authorized to write insurance in the State where the HA is located.

Section 3 - Certificates of Insurance.

At each renewal, the HA shall promptly have certificates of insurance submitted by the insurers to HUD describing the types of coverage, limits of insurance, policy numbers, and inception and expiration dates.

Section 4 - Waivers and Self-Insurance Funds.

Requests for waivers not to purchase any form of required insurance, or to establish a self-insurance fund in lieu of purchasing insurance, must be submitted to HUD for approval with a justification as to why the request should be approved.

TABLE OF CONTENTS

— Part B —

Heading	Page
Applicability of Additional Requirements Pursuant to Part B of this ACC.	i
Debt Forgiveness Requirements Applicable to Low Income Public and Indian Housing Projects.	I-1
Special Requirements for Section 23 and Section 10(c) Projects.	II-1 to II-3
Special Requirements for Turnkey III Homeownership Opportunities Projects.	III-1
Special Requirements for Mutual Help Projects.	IV-1 to IV-2
Special Interim Requirements for Development Projects.	V-1 to V-10
Special Requirements Applicable to Projects Financed Through the Issuance of Tax-Exempt Bonds or Notes Sold to the Federal Financing Bank.	VI-1 to VI-12
Insurance Requirements	VII-1 to VII-2

Applicability of Additional Requirements Pursuant to Part B of this ACC

The HA shall comply with all additional requirements set forth in any applicable attachments contained in this Part B to the ACC. The HA is responsible for determining whether the following attachment(s) apply to the HA's project(s), and for determining the extent to which they apply to a HA's projects. The HA shall not be relieved of its obligation to comply with these requirements because of its failure to make an appropriate determination of applicability.

- (A) **Attachment I**: Debt Forgiveness Requirements Applicable to Low Income Public and Indian Housing Projects. (Applicable to all projects, except those financed by the HA's issuance of tax-exempt bonds or by the sale of notes to the Federal Financing Bank.)
- (B) **Attachment II**: Special Requirements for Section 23 and Section 10(c) projects. (Applicable to all projects developed pursuant to sections 23 or 10(c) of the Act.)
- (C) **Attachment III**: Special Requirements for Turnkey III Homeownership Opportunities Projects. (Applicable to all projects operating pursuant to the Turnkey III Homeownership Opportunities program.)
- (D) **Attachment IV**: Special Requirements for Mutual Help Homeownership Projects. (Applicable to all projects operating pursuant to the Mutual Help Homeownership program.)
- (E) **Attachment V**: Special Interim Requirements for Development Projects. (Applicable, on an interim basis, to all projects being developed, or proposed to be developed, by a public housing authority under the Act.)
- (F) **Attachment VI**: Special Requirements Applicable to Projects Financed Through the Issuance of Tax-Exempt Bonds or Notes Sold to the Federal Financing Bank. (Applicable to all projects financed through the issuance of tax-exempt bonds or through notes sold to the Federal Financing Bank.)
- (G) **Attachment VII**: Insurance Requirements. (Applicable to all projects.)

Declaration of Trust

(Public Housing Modernization Grant Projects)

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB No. 2577-0270
exp. 09/30/2013

Whereas, (1, see instructions) Housing Authority of the County of Los Angeles
(herein called the Public Housing Agency (PHA), a public body corporate and politic, duly created and organized pursuant to and in accordance with the provisions of the laws of the (2) County of Los Angeles, and the United States of America, Secretary of Housing and Urban Development (herein called HUD) pursuant to the United States Housing Act of 1937 (42 U.S.C. 1437, et seq.) and the Department of Housing and Urban Development Act (5 U.S.C. 624) entered into a certain contract with the effective date as of (mm/dd/yyyy) (3) 4/8/2002, (herein called the Annual Contributions Contract) and a certain Modernization Project Grant Amendment to the Annual Contributions Contract with the effective date as of (mm/dd/yyyy) (4) 8/3/2011, (herein called the Modernization Grant Amendment) providing for a grant to be made by HUD to assist the PHA in modernizing lower income housing project(s); and

Whereas, as of the date of the execution of this Declaration of Trust, the Modernization Grant Amendment and the Annual Contributions Contract cover certain individual lower income housing projects located in: (5) County of Los Angeles which will provide approximately (6) 558 dwelling units; and which lower income housing projects are known as Modernization Project No. (7) CA16P002501-11 and individual projects as follows:
Project No. (8) CA16P002001 with approximately 558 dwelling units,
Project No. (8) _____ with approximately _____ dwelling units, and
Project No. (8) _____ with approximately _____ dwelling units; and

Whereas, the modernization of each Project will have been financed with grant assistance provided by HUD.

Now Therefore, to assure HUD of the performance by the PHA of the covenants contained in the Modernization Grant Amendment and the Annual Contributions Contract, the PHA does hereby acknowledge and declare that it is possessed of and holds in trust for the benefit of HUD, for the purposes herein stated, the following described real property situated in: (9)

County of Los Angeles-Carmelitos Family 700 Via Wanda, Long Beach CA 90805

To Wit: (Insert legal description for each individual project.)(10)

Row or Townhouse Style Multifamily Walk-up Apartments

and all buildings and fixtures erected or to be erected thereon or appurtenant thereto.

The PHA hereby declares and acknowledges that during the existence of the trust hereby created, HUD has been granted and is possessed of an interest in the above described Project property, To Wit:

The right to require the PHA to remain seized of the title to said property and to refrain from transferring, conveying, assigning, leasing, mortgaging, pledging, or otherwise encumbering or permitting or suffering any transfer, conveyance, assignment, lease, mortgage, pledge or other encumbrance of said property or any part thereof, appurtenances thereto, or any rent, revenues, income, or receipts therefrom or in connection therewith, or any of the benefits or contributions granted to it by or pursuant to the Modernization Grant Amendment and the Annual Contributions Contract, or any interest in any of the same except that the PHA may (1) to the extent and in the manner provided in the Annual Contributions Contract, (a) lease dwellings and other spaces and facilities in any Project, or (b) convey or otherwise dispose of any real or personal property which is determined to be excess to the needs of any Project, or (c) convey or dedicate land for use as streets, alleys, or other public right-of-way, and grant easements for the establishment, operation, and maintenance of public utilities; or (d) enter into and perform contracts for the sale of dwelling units to members of tenant families, as authorized by the United States Housing Act of 1937, or (2) with the approval of HUD, release any Project from the trust hereby created; Provided, That nothing herein contained shall be construed as prohibiting the conveyance of title to or the delivery of possession of any Project to HUD pursuant to the Annual Contributions Contract.

The endorsement by a duly authorized officer of HUD (1) upon any conveyance or transfer made by the PHA of any real or personal property which is determined to be excess to the needs of any Project, or (2) upon any instrument of conveyance or dedication of property, or any interest therein, for use as streets, alleys, or other public right-of-way, or for the establishment, operation and maintenance of public utilities, or (3) upon any instrument transferring or conveying a dwelling unit, or an interest therein, to a member of a tenant family, or (4) upon any instrument of release made by the PHA of any Project shall be effective to release such property from the trust hereby created.

The individual projects covered by the Modernization Grant Amendment shall be subject to this Declaration of Trust for a period of twenty years beginning on the date of the Modernization Grant Amendment. Each individual project shall also be subject to this Declaration of Trust for a period of twenty years after the date of the most recent Modernization Grant Amendment applicable to that project. Upon expiration of the period during which the PHA is obligated to operate the individual projects in accordance with the Annual Contributions Contract, the trust hereby created shall terminate and no longer be effective.

In Witness Whereof, the PHA by its officers thereunto duly authorized has caused these presents to be signed in its name and its corporate seal to be hereunto affixed and attested this date (mm/dd/yyyy) _____.

(Seal)

(1, see instructions)

By _____ Chairperson

Attest _____ Secretary

Date (mm/dd/yyyy) _____

LIST OF PUBLIC HOUSING DEVELOPMENTS

	HUD DEV. NO.	SITE	ADDRESS	NO. OF UNITS
1	CA16P002001	Carmelitos (family)	700 Via Wanda, Long Beach 90805	558
2	CA16P002002	Harbor Hills (family/senior)	26607 S. Western Ave., Lomita 90717	301
3	CA16P002004	Nueva Maravilla (family/senior)	4919 Cesar E. Chavez Ave., Los Angeles 90022	504
4	CA16P002013	Marina Manor I (senior)	3401 Via Dolce, Marina Del Rey 90292	112
5	CA16P002014	West Knoll (senior)	838 West Knoll Ave., West Hollywood 90069	136
	CA16P002014	Palm Apartments (senior)	959 Palm Ave., West Hollywood 90069	127
6	CA16P002015	Francisquito Villa (family)	14622 Francisquito Ave., La Puente 91746	89
7	CA16P002018	Ocean Park (family/senior)	175 Ocean Park Boulevard, Santa Monica 90405	22
8	CA16P002020	Williamson Avenue (family)	706-708 1/2 So. Williamson Ave., Los Angeles 90022	4
	CA16P002020	1104 W. 106th Street (family)	1104 W. 106th St., Los Angeles 90044	10
	CA16P002020	11431-463 S. Normandie (family)	11431-463 S. Normandie Ave., Los Angeles 90047	28
	CA16P002020	Century & Wilton (family)	10025 Wilton Place, Los Angeles 90047	40
9	CA16P002021	McBride Avenue (family)	1229 So. McBride Ave., Los Angeles, 90023	4
	CA16P002021	Simmons Avenue (family)	927 So. Simmons Ave., Los Angeles, 90022	4
	CA16P002021	1101-09 W. 91st (family)	1101-09 W. 91st St., Los Angeles 90044	16
	CA16P002021	1232-34 E. 119th (family)	1232-34 E. 119th St., Los Angeles 90059	2
	CA16P002021	1231-33 E. 61st (family)	1231-33 E. 61st St., Los Angeles 90001	6
	CA16P002021	1100 W. 106th Street (family)	1100 W. 106th St., Los Angeles 90044	10
	CA16P002021	1320 W. 107th (family)	1320 W. 107th St., Los Angeles 90044	18
10	CA16P002023	El Segundo I (family)	1928/37/49 E. El Segundo Blvd., Compton 90222	30
11	CA16P002026	Carmelitos (senior)	761 Via Carmelitos, Long Beach 90805	155
12	CA16P002027	Marina Manor II (senior)	3405 Via Dolce, Marina Del Rey 90292	71
13	CA16P002029	Foothill Villa (senior)	2423 Foothill Boulevard, La Crescenta 91214	62
14	CA16P002030	Orchard Arms (senior)	23410-23540 Wiley Canyon Rd., Valencia 91355	183
15	CA16P002032	South Bay Gardens (seniors)	230 E. 130th St., Los Angeles 90061	100
16	CA16P002033	Whittier Manor (senior)	11527 Slauson Ave., Whittier 90606	49
17	CA16P002034	4th & Mednick (family)	341 So. Mednick Ave., Los Angeles 90022	2
18	CA16P002048	Arizona & Olympic (family)	1003-1135 So. Arizona Ave., Los Angeles 90022	18
19	CA16P002052	El Segundo II (2140) (family)	2140-2144 1/2 E. El Segundo Blvd., Compton 90222	13
20	CA16P002056	88th & Beach (family)	8739 Beach St., Los Angeles 90002	4
21	CA16P002058	Herbert Ave (senior)	133 Herbert Ave., Los Angeles 90063	46
22	CA16P002060	West 94th (family)	1035-37 1/2 W. 94th St., Los Angeles 90044	4
		West 95th St. (family)	1324 W. 95th St., Los Angeles 90044	4
23	CA16P002061	El Segundo II (2141) (family)	2141-2145 E. El Segundo Blvd., Compton 90222	5
24	CA16P002062	Quartz Hill I (family)	5028 West Avenue L-12, Quartz Hill 93536	20
25	CA16P002066	Woodcrest I (family)	1239 W. 109th St., Los Angeles 90044	10
26	CA16P002067	East 87th Street (family)	1615-17 E. 87th St., Los Angeles 90002	4
27	CA16P002069	Quartz Hill II (family)	42051 51th Street West, Quartz Hill 93536	20
28	CA16P002071	Addington & Waldorf (family)	4212-20 E. Addington St., Compton 90221	3

LIST OF PUBLIC HOUSING DEVELOPMENTS

	HUD DEV. NO.	SITE	ADDRESS	NO. OF UNITS
29	CA16P002078	1027-33 W. 90th (family)	1027-33 W. 90th St., Los Angeles 90044	6
30	CA16P002079	West 106th Street (family)	1334-38 W. 106th St., Los Angeles 90044	4
		Budlong (Family)	9410 Budlong Ave., Los Angeles 90044	4
		Budlong (Family)	11126 Budlong Ave., Los Angeles 90044	3
31	CA16P002080	92nd & Bandera St. (family)	9104-18 S. Bandera St., Los Angeles 90002	8
	CA16P002080	East 83rd Street (family)	1535 E. 83rd St., Los Angeles 90002	2
32	CA16P002090	Woodcrest II (family)	1245 W. 109th St., Los Angeles 90044	10
33	CA16P002091	Carmelita Avenue (senior)	354-354 So. Carmelita Ave., Los Angeles 90063	2
	CA16P002091	1115-16 W. 90th St. (family)	1115-16 W. 90th St., Los Angeles 90044	18
34	CA16P002097	Monica Manor (family)	1901-1909 11th Street, Santa Monica 90405	19
	CA16P002097	Triggs Street (family/senior)	4432-4434 1/2 Triggs St., Los Angeles 90023	4
35	CA16P002107	East 84th (family)	1527 E. 84th St., Los Angeles 90001	4
	CA16P002107	Jarvis Avenue (family)	12920 Jarvis Ave., Los Angeles 90061	1
36	CA16P002124	West 105th Street (family)	1336-40 W. 105th St., Los Angeles 90044	9
		West 106th Street (family)	1057 W. 106th St, Los Angeles 90044	4
37	CA16P002127	Athens III (family)	1120 W. 107th St., Los Angeles 90044	3
		Athens III (family)	1310 W. 110th St., Los Angeles 90044	3
		Athens III (family)	11104 S. Normandie Ave., Los Angeles 90044	4
38	CA16P002132	Imperial Heights (family)	Imperial W. Imperial Hwy., Los Angeles 90044	5
			1309 W. Imperial Hwy., Los Angeles 90044	4
39	CA16P002138	Budlong Crest (family)	11248 S. Budlong, Los Angeles 90044	6
40	CA16P002156	Sundance Vista (family)	10850 Laurel Ave., Whittier 90605	41
41	CA16P002157	Linsley	4621 & 4625 Linsley St., Compton 90221	2
	CA16P002157	111th & Firmona	11117 & 11119 Firmona Ave., Lennox 90304	2
				2,962



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Sean Rogan
Executive Director

December 14, 2011

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 S Coral Circle
Monterey Park, California, 91755

Dear Commissioners:

**AWARD A JOB ORDER CONTRACT AND APPROVE CONSTRUCTION TASK
CATALOG
(ALL DISTRICTS)**

SUBJECT

This letter recommends award of a Job Order Contract (JOC) to Harry H. Joh Construction Inc., to provide maintenance, repair, refurbishment, rehabilitation, retrofit and other repetitive-type work at Housing Authority developments. The letter also recommends approval of the JOC Task Catalog, which includes the labor, equipment, material costs and specifications necessary for work under the JOC.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Recommend that the Board of Commissioners award and authorize the Executive Director or his designee to execute or amend a Job Order Contract (JOC), work orders and all related documents with Harry H. Joh Construction Inc. (Contractor), the lowest responsive and responsible bidder, for an amount not to exceed a cumulative total of \$4,000,000, to provide maintenance, repair, refurbishment, rehabilitation, retrofit and other repetitive-type work for Housing Authority developments on an as-needed basis, using Community Development Commission General Funds and various program funds allocated by the U.S. Department of Housing and Urban Development (HUD).
2. Recommend that the Board of Commissioners adopt the October 2011 JOC Task Catalog.



3. Recommend that the Board of Commissioners authorize the Executive Director or his designee to terminate the Contractor's right to proceed with the performance of the JOC or terminate the JOC.
4. Recommend that the Board of Commissioners find that the award of the JOC and adoption of the Construction Task Catalog are exempt from the provisions of the California Environmental Quality Act (CEQA).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The JOC program is a flexible, cost-effective, unit price, and indefinite quantity contracting method used to effectively and efficiently accomplish maintenance, repair, refurbishment, rehabilitation, retrofit and other repetitive-type work at Housing Authority developments without extensive plans and specifications. This process reduces administrative requirements, and lowers direct construction costs while meeting all Federal, State, and County procurement requirements.

JOC programs have been successfully implemented by the Housing Authority, County's Internal Service Department, Department of Public Works and other local and federal agencies.

FISCAL IMPACT/FINANCING

There is no impact on County general funds.

On August 24, 2010, the Board of Commissioners of the Community Development Commission authorized a \$3.5 million dollar loan of Commission General Funds to the Housing Authority. As of October 31, 2011, a total of \$627,300 had been used from this loan, and a portion of the remaining funds available will be used to fund work orders as needed from the JOC.

The JOC will also be funded with public housing operating funds, non-conventional funds, Community Development Block Grant funds and Capital Fund Program funds included in the Housing Authority's approved Fiscal Year 2011-2012 budget. Funds for future years will be included in the Housing Authority's annual budget approval process.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On January 4, 2011, your Board approved the award of a contract to the Gordian Group for consulting services to assist the Housing Authority with the development, implementation, and support of the JOC program. The Gordian Group prepared the Job Order Contract Construction Task Catalog, which includes the labor, equipment, material costs and specifications necessary for work under the JOC.

On May 31, 2011, your Board approved a JOC pilot program. To evaluate the effectiveness of the JOC pilot program, Housing Authority staff compared the time and cost of implementing two current capital projects under the JOC and the traditional design, bid and build process and determined that there were substantial savings on staff time, consultant and construction costs.

The program is being primarily federally funded, and is not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, the Contractor will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

ENVIRONMENTAL DOCUMENTATION

Pursuant to Title 24 of the Code of Federal Regulations, Section 58.35 (a)(3)(ii), this action is excluded from the National Environmental Policy Act (NEPA) because it involves activities that will not alter existing environmental conditions. The recommended action, to adopt the JOC Construction Task Catalog and award of the JOC are categorically exempt from CEQA. JOC provide facilities repairs, maintenance, retrofit and refurbishment services requested by Housing Authority, which are generally categorically exempt under Section 15301, Class 1 of the State CEQA Guidelines. The proposed projects are covered by the general rule that CEQA applies only to the projects that have the potential for causing a significant effect on the environment. Your Board's approval of the JOC does not include approval of work done pursuant to specific work orders. The implementation of each work order under the JOC shall be subject to prior determination and documentation by the Housing Authority that the work is categorically exempt from CEQA. In the event the work is not exempt, your Board will be requested to approve the appropriate environmental finding and any applicable documentation pursuant to CEQA prior to implementation of work orders under the JOC.

CONTRACTING PROCESS

With the assistance of the Gordian Group consultants, on September 13, 2011, the Housing Authority publicly advertised for bids on an open competitive basis in accordance with applicable Federal, State, and County requirements to identify a contractor to complete work under the JOC program. Announcements were sent to 328 contractors identified from the Housing Authority vendor list. Advertisements also appeared in one local newspaper and on the County and Housing Authority websites.

On October 18, 2011, eight bids were received and formally opened. The lowest bid, submitted by Harry H. Joh Construction Inc., is being recommended for the JOC award.

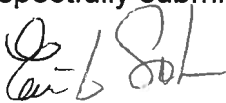
Honorable Housing Commissioners
December 14, 2011
Page 4

The Summary of the Outreach Activities is provided as Attachment A.

IMPACT ON CURRENT PROJECT

The award of the JOC will expedite the completion of maintenance, repair, retrofit and refurbishment of housing developments and will allow the Housing Authority to continue to provide residents with decent, safe and sanitary living conditions.

Respectfully submitted,



SEAN ROGAN
Executive Director

Enclosures

ATTACHMENT A

Summary of Outreach Activities Job Order Contract

On September 13, 2011, the following outreach was initiated to identify a contractor for the job order project.

A. Newspaper Advertising

Announcements appeared in the following local newspaper:

Dodge Construction News/Green sheet
LA Times
The Daily News
International Daily News
LA Opinion
L.A. Sentinel
Eastern Group Publications
Wave Community Newspapers

An announcement was also posted on the County and Housing Authority websites.

B. Distribution of Bid Packages

The Housing Authority's vendor list was used to email out Invitations for Bids to 328 contractors, of which 12 identified themselves as businesses owned by minorities or women (private firm which are 60 percent owned by minorities or women, or publicly-owned businesses in which 56 percent of the stock is owned by minorities or women). As a result of the outreach, forty-two bid packages were requested by contractors.

C. Pre-Bid Conference and Site Walk

On September 27, 2011, a mandatory pre-bid conference was conducted. Twenty-one firms were in attendance.

D. Bid Results

On October 18, 2011, a total of eight bids were received and publicly opened. The bid result was as follows:

<u>Company</u>	Normal Working Hrs.	Other than Normal Working Hrs	Non pre-price	Composite Ratio
Harry H Joh Construction	0.5848	0.5849	1.1200	0.6384
C.T. Georgiou	0.5999	0.6000	1.0500	0.6449
Torres Construction	0.5990	0.6000	1.1800	0.6574

Angeles Contractor, Inc.	0.6200	0.6201	1.0800	0.6660
Mackone Development Inc.	0.6200	0.6201	1.1000	0.6680
MTM Construction Inc.	0.6250	0.6251	1.0800	0.6705
ENL Service Company	0.7650	0.7900	1.0500	0.8010
New Creation Builders	0.7800	0.7801	1.1500	0.8170

Contractors provided Adjustment Factors which will be applied to items listed in the Construction Task Catalog (CTC) in order to determine the cost of jobs. Harry Joh Construction Adjustment Factor of 0.5848 indicates that Harry Joh Construction Inc. will charge the Housing Authority 58.48% of the listed price for items in the CTC. For items not listed in the CTC, Harry Joh Construction Inc. will charge the Housing Authority 112% of the total cost.

Normal Working Hours are shifts during the period of 7:00 a.m. to 6:00 p.m. Monday through Friday, except for County of Los Angeles- observed holidays. Other than Normal Working Hours are shifts not covered under Normal Working Hours. For the purposes of determining the low bid, the Normal Working Hours Adjustment Factor was multiplied by 0.60, for the Other Than Normal Working Hours Adjustment factor shall be multiplied by 0.30, and for the Non Pre-Priced items not found in the CTC Adjustment Factor shall be multiplied by 0.10 (the range for the Non Pre-Priced is 1.0500 minimum and 1.2500 is a maximum). These three numbers were summed for a composite bid, and the lowest composite bid was considered the low bid

E. Minority/Female Participation – Selected Contractor

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Harry H. Joh Construction	Minority	Total: 10 10 Minorities 2 Women 100% Minorities

F. Minority/Female Participation – Contractors Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
C.T. Georgiou Painting Co.	Non-Minority	Total: 18 12 Minorities 2 Women 66.67% Minorities 11.1% Women

Torres Construction	Minority	Total: 37
		29 Minorities
		7 Women
		78.37% Minorities
		18.91% Women
Angeles Contractor Inc,	Minority	Total: 38
		38 Minorities
		5 Women
		100% Minorities
		13.15% Women
Mackone development Inc.	Minority	Total: 21
		14 Minorities
		4 Women
		66.67% Minorities
		3319.04% Women
MTM Construction Inc.	Minority	Total: 38
		36 Minorities
		6 Women
		94.7% Minorities
		15.78% Women
ENL Service Co.	Minority	Total: 13
		12 Minorities
		1 Women
		92.30% Minorities
		07.69% Women
New Creation builders	Minority	Total: 19
		8 Minorities
		3 Women
		42.10% Minorities
		15.78% Women

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of the JOC is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

ATTACHMENT B

Contract Summary

Project Name: Job Order Contract
Location: County of Los Angeles
Bid Number: CDC11-305
Bid Date: October 18, 2011
Contractor: Harry H. Joh Construction Inc.
Services: Authorizing the Housing Authority to award a JOC to Harry H. JOH Construction Inc. to provide maintenance, repair, refurbishment, rehabilitation, retrofit and other repetitive-type work at various housing developments of the Housing Authority.

Contract Documents: Part A – Instructions to Bidders and General Conditions; Part B – Construction Task Catalog and Specifications; Part C – Bidder's Documents, Representations, Certifications, Bid, Other Statements of Bidder.

Time of Commencement and Completion: This is an annual JOC for repair, remodeling or other repetitive work to be done according to unit prices specified in individual Job Orders. The effective date of the JOC shall be the date that the JOC is fully executed. All job orders must be issued within one year from the effective date of the Contract. In the event that a job Order has been timely issued within such one year period, but the work has not been completed within such period, the work may be completed thereafter, subject to all provisions of this JOC.

Liquidated Damages: Should the Contractor fail to substantially complete the work specified in the Job Order in accordance with the approved construction schedule, and provide the Contractor has not previously obtained a written extension of time from the Contracting Officer according to the General conditions, a sum appropriate with the following schedule may be deducted from each succeeding request for payment as liquidated damages on each Work Order if applicable.

SCHEDULE FOR LIQUIDATED DAMAGES

Work Order Price	Liquidated Damages Per Day
Up to \$100,000	\$500.00
\$100,001 to \$500,000	\$750
Over \$500,000	To Be Determined

JOC Value: The maximum dollar value of this JOC is \$4,000,000 and for a 12 month contractual period. There is a \$10,000 guaranteed minimum quantity or value of work to be ordered under this JOC; and there is no minimum value for individual Job Orders issued under this JOC.